NATIONAL CONFERENCE ON

LAND and PEOPLE

U. S. DEPARTMENT OF AGRICULTURE • JANUARY 15, 1962 • WASHINGTON, D.C.

NATIONAL CONFERENCE on LAND and PEOPLE

U. S. Department of Agriculture

January 15, 1962 Washington D. C.

UNITED STATES DEPARTMENT OF AGRICULTURE
Washington, D. C.

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January 15, 1962
Jefferson Auditorium, South Building

9:00-9:30 a.m. Registration

MORNING SESSION

Charles S. Murphy, Under Secretary of Agriculture, Chairman

9:30- 9:40	Announcements	
9:40-10:10	"Land and People"	Hon. Orville L. Freeman Secretary of Agriculture
10:10-10:40	"The Wisconsin 10-Year Plan"	Hon. Gaylord A. Nelson Governor of Wisconsin
10:40-11:05	"Our Changing Needs for the Products of Land and Water"	W. W. Cochrane Director, Agricultural Economics, USDA
11:05-11:30	"Land Resource Use and Adjustments to Meet Our Needs"	Frank J. Welch Assistant Secretary of Agriculture
11:30-12:00	"Opportunities for People on the Land"	John A. Baker Director, Agricultural Credit Services, USDA
12:00- 1:30	Lunch and Discussions	

(Conference will meet in designated dining rooms for discussion and comments for attention of the afternoon panel. Discussion arrangements made by Federal Extension Service.)

AFTERNOON SESSION

Gordon K. Zimmerman, Executive Secretary,
National Association of Soil Conservation Districts,
Chairman and Moderator

1:30-2:20 Panel Presentation--"Better Use of Land and Water in the Public Interest"

Clay Cochran, Legal Consultant, Industrial Union Department, AFL-CIO, Washington, D.C.

Rev. Richard O. Comfort, Town and Country Department, National Council of the Churches of Christ in America, New York, New York

Clyde Ellis, Executive Secretary, National Rural Electric Cooperative Association, Washington, D.C.

Walter B. Garver, Manager, Agricultural Department, Chamber of Commerce of the United States, Washington, D. C.

L. L. Males, farmer, and Secretary-Treasurer, Washita Valley Flood Control Council, Cheyenne, Oklahoma

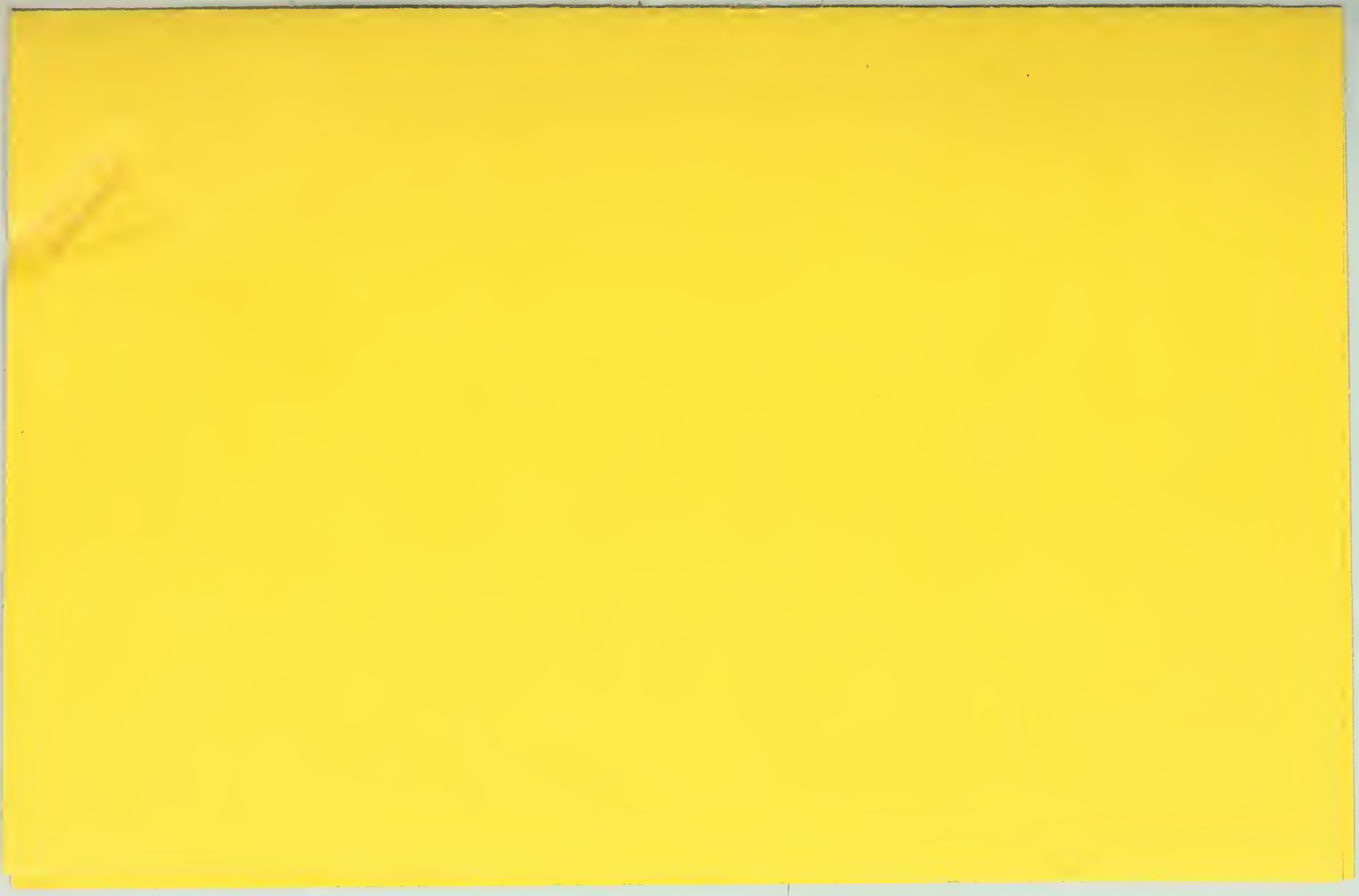
Spencer Smith, Secretary, Citizens Committee for Natural Resources, Washington, D. C.

B. C. Webb, Acting Dean of Agriculture, North Carolina A. & T. College, Greensboro, North Carolina

2:20-3:45 Conference Discussion

3:45-4:15 Conference Summary . . . . . .Prof. John Timmons
Department of Agricultural Economics
Iowa State University, Ames; and
Chairman, Committee on Soil and
Water Conservation, National Academy
of Sciences

Growth Through Agricultural Progress



Opportunities for People on the Land

Remarks of J. A. Baker, Director of Agricultural Credit to the Land and People Conference, Washington, D. C., January 15, 1962

Economic development of rural America consists of many interrelated phases. It can be viewed from any one of a hundred aspects.

I shall focus attention on people. People are the starting point for and the end of institutional and resource adjustments to up-date American agriculture. The motivating force must be the legitimate aspirations and felt needs of the people who live on the land in this country -- the mothers and fathers -- the children and their children's children -- and grandpa and grandma, too.

Efforts of rural folks to attain their aspirations must, of course, take into account their impacts on the rest of the economy and upon natural resource conservation goals. But let us not lose sight of the fact that people are why we are concerned. Someone has truly said, "A human being is an individual of infinite worth."

Rural Population

There are 54 million people living in the countryside and villages of rural America. Probably 20 million more people live in small cities which economically are an integral part of rural America. Together they are about two-fifths of the Nation's people. (A tabulation of the make-up by location, age, sex and color groups of the rural population is attached.) In rural areas alone there are 17.4 million families and 2.5 million other households. This is more than half as many households as in urban areas.

I emphasize these figures to bring out a key consideration of this conference. When we are discussing human-people-phases of rural area adjustments to up-date American agriculture we are not talking about just a minimal segment of the national population and one that is about to disappear. We're talking about one-third of America. I'm not sure that all of us know this and recognize its implications.

Rural Poverty

An even more startling fact is that over half of the poverty in America is rural poverty. The number of rural families with inadequate incomes (less than $2,500) exceeds the number in urban areas -- not only percentage-wise, but by actual count. There are 4.1 million inadequately low income rural families and 3.9 million such urban families. Over 15 million rural people live under conditions of dire poverty measured by American standards. I deeply doubt that many of them prefer this poverty as a way of life. I'm sure they, just as you and I, would rather participate a little more in the affluent society.

Almost half of the 3.8 million farm families (1.7 million) have total money incomes from all sources of less than the equivalent of $208 per month, which certainly does not exceed what might be considered to be a base minimum of adequacy in modern-day America. Nearly one-fifth (2.4 million out of 13.6 million) of rural non-farm families have similarly low incomes. Nearly two-thirds of the unrelated individuals on farms and almost half of the rural non-farm unrelated individuals have incomes of less than $1000 per year -- less than $100 per month.

About one-tenth of the rural population is non-white, with the consequent unique added disparities of opportunities piled on top the usual run of disparities of rural opportunity.

To summarize, over 4 million rural families have money incomes from all sources of less than about $208 per month. A million and a quarter detached individuals in rural areas have incomes of less than $100 per month. To alleviate this rural poverty and to eradicate its causes is a high and worthy public purpose.

There are about 22 million youth in rural America under 20 years of age and over a million are born there each year. More than a fifth of them are in poverty-ridden families. Equality of opportunity for these children of rural America is a worthy national goal, an essential element, if you please, of the promise of America -- equal opportunity for all. In our affluent society there is no reason why conditions should not be such that any child born in rural America should have before him the same opportunities for health, education and avenues to advance to the limits of his personal capabilities as the best afforded in our society anywhere.

Government's Response

Democratic government is responsive, not compulsive. As we discuss needed institutional and resource adjustments for promoting greater prosperity and economic growth to up-date American agriculture, let us keep that fact uppermost. The key question is "what do rural people want their government to do" not "what government should do to rural people."

The difference in sequence is important and often critical. It behooves us to keep it straight.

Evidence abounds that rural people want broader opportunity. It shines through the strivings for farm price and income parity. It shows up in the backlogs of loan applications piled up in every Farmers Home Administration county office, in the growing volume of applications for industrial enterprise and community facility loans and grants under the Area Redevelopment Act. It is dramatically demonstrated by the success rural people have made through their own cooperatives in the Rural Electrification program, in the enthusiasm for agricultural conservation cost-sharing and long-range farm soil and water conservation planning, in the multiplying number of watershed protection projects.

But these are things, let's get back to people -- to the people of rural America. These people, like people everywhere, want and deserve to be able to obtain an equal economic opportunity to obtain a modern, full, and satisfying life for themselves and their children.

Low Income Rural Non-Farm Population

There are two segments of rural poverty: farm and non-farm.

Almost two and one-half million families and nearly 1 million detached individuals, with inadequate incomes live in rural areas but not on farms. Currently we know very little about this low income rural non-farm group except how many there are in the various States. Perhaps we should find out more about their needs, about their living conditions and their employment opportunities. Certainly these rural non-farm families' problems are as worthy of our attention as those of the farm workers, operators, and those of low income and unemployed families in urban areas.

Economic Research Service, Farmers Home Administration and the Office of Rural Areas Development are currently exploring the situation and troubles of this sizeable segment of the national population. What lines of action can most surely alleviate this rural non-farm poverty and eradicate its causes? We Welcome your suggestions, information or insights.

Certainly some of the troubles of this group can be corrected with broad area-wide economic development. How much? What other specialized phases of activity are needed?

Hired Farm Workers

Not all those who work on farms for wages are poverty stricken. But a large proportion are. Our statistics on this are not any too good. In total, we figure there are about 200,000 families, migratory and non-migratory hired farm workers counted in the farm population, and probably there are some 500,000 to 800,000 non-farm rural families and detached individuals whose main or only source of income is farm wage work. Probably three-fourths of these have total annual incomes below nationally accepted standards of adequacy.

In addition to the about 400,000 imported foreign migratory workers employed each year on U. S. farms, there are somewhere in the neighborhood of 350,000 domestic migratory farm workers who obtain their major income from farm work.

Most farm wage workers are employed in rich land areas of the Nation with the great bulk working on some 50,000 factory-type agricultural production units. In 1959, less than two percent of all commercial farm operators had wage bills larger than $10,000.

In many cases, wages are low. Often working conditions are less than fully adequate. The plight of the families of underemployed migratory workers is of deep concern to the Nation as a whole.

The resource and institutional adjustments needed to eliminate the causes for low-income of migratory workers must of necessity take place in rich land rural areas of otherwise high family and per person income -- not in the rural areas most likely to be designated for attention under the Area Redevelopment Act.

This is indeed a delicate, yet pertinent problem. I don't have the answers. The Secretary of Agriculture is working in close cooperation with the Secretary of Labor and other Federal officials, through the President's Commission on Migratory Labor, to see if we can find some answers. Your continued advice and counsel in this area as in others is most welcomed.

Poverty on Farms

Another large segment of rural poverty is composed of some 1,350,000 part- and full-time farm operator families.

It is always a shock to me, personally, to realize that almost half of what the Census Bureau classifies as farm operating families falls into the inadequate income category. As a matter of fact, on only 780,000 family farms and about 50,000 industrialized factory-type agricultural production units do the operator and his family have an income from farm sources alone of more than $208 per month for an average family of 3.6 persons. Some one-and-a-half-million others are able to obtain minimum adequate income by augmenting farm income with income from off-farm sources.

Low Income Aged

The heads of more than 450,000 of the inadequately low income farm operator families are 65 years of age or older. On non-farm residences in rural areas there are upwards of 1 million more low income aged family heads and detached individuals.

Economic Research Service, Office of Rural Areas Development and Farmers Home Administration are now jointly engaged in research and exploration of the special needs, if any, of this large group of extremely low income senior citizens. Certainly our affluent Nation can afford to do whatever is proper and right for poverty-stricken retired people. We must not lose sight of the fact that this group of citizens is growing larger and that they deserve to be heard, and answered. We solicit your consideration of this phase of the land and people topic and will utilize your advice and suggestions.

Low Income Families on Part-time and Full-time Farms

A great deal has been made of the fact that, increasingly, farm operator families have been supplementing their low farm incomes with earnings from non-farm work. And indeed many have, fortunately, been able to do so. Of the families on the 885,000 farms that the Census reports as part-time, only about 200,000 had incomes from all sources of less than $208 per month.

And on part-time commercial farms as well, off-farm income has been used increasingly to supplement meager income from farm operations. We do not know at this time, with any exactness, the extent to which off-farm earnings have relieved underemployment of families on low income farms.

But we do have some indications. The ones we have, indicate there are, among farm operator families when the operator is less than 65 years of age, more than 900,000 families with inadequate incomes from all sources on the part and full-time family farms of the Nation with farm gross incomes of less than $10,000, while some 1,400,000 families on such farms have $208 or more money income per month when farm sources are augmented by non-farm income.

I have cited a lot of statistics and I am more than a little embarrassed to have burdened you with so many. But, if we are seriously to consider the people's phases of rural adjustments, we have to know what kind of people we are talking about; we have to know their problems.

Next Generations

So far, I have discussed broad measures of existing rural poverty. But, what of the future generations in the rural areas. What is their lot to be?

Rural poverty now, I think, we all agree is bad enough. We need to, and we are, doing something to alleviate it. Still, as bad as poverty is today, it would be inexcusable if we allowed it to continue and to expand its shameful tentacles on and on from one generation to another generation. Rural poverty of tomorrow must be stopped, today.

In the next 10 years over 10 million rural youths will reach working age. They will seek desirable economic opportunities. Over one million of these new workers will be non-white. Almost 2 million will come from families with inadequate incomes.

What can and should we do as citizens, as local, state and Federal employees, as private businessmen and farmers, to make certain that these young rural workers of the next decade have something constructive, something challenging, something rewarding, to work at when they reach the working age?

Almost 6 million of these future workers from the rural areas are males, and they will make up almost one-fourth of the entire expected increase over the next 10 years in the U. S. labor force. What are we going to do to provide jobs for these youth? That's one of our problems.

And let's not forget the feminine side of the picture, either. She may have the hands that rock the cradle, but she also has the hands which, in many instances, hold the families' purse strings. There are probably some one million rural women, who during the next 10 years, will be looking for employment, if the opportunity is there.

Where are we going to find 7 million economic opportunities for these young people? Only 2½ million of them will be able to find jobs replacing current workers who will retire in the next 10 years.

Needed New Economic Opportunities

To summarize, here are the categories:

1. We need some 4½ million additional economic opportunities for rural youth and women, seeking to join the labor force.

2. We need the equivalent of at least 250,000 new jobs to overcome the seasonal unemployment among domestic farm wage workers.

3. We need the equivalent of nearly a million new jobs to overcome underemployment among the working age low-income, rural, non-farm families.

4. We need to provide appropriate needed services for five million rural people 65 and over, especially the 1.5 million needy aged among them.

5. We need to be concerned about the unemployed and low income among the five million rural males between ages 45 and 64. To what extent and in what manner can, or should we give special attention to providing new and expanded opportunities for this group? We are told that many employers cannot afford to hire new workers who are over 45 years old. How can we encourage employers to hire older workers in new occupations? If we cannot, what then? Relief is surely not the answer. We need your counsel for this over-45-under-65 group. How can we expand their opportunity horizon?

6. And we need to concern ourselves with what to do to expand economic opportunity for over 1 million inadequately low-income families on full and part-time family farms where the operator is below retirement age.

In all, if we are to come anywhere near providing full employment for everyone in rural America, these figures add up to well over seven million needed new or improved opportunities for currently inadequately low income rural people over the next 10 years.

In addition, of course, is the continuous job we all have to provide conditions of expanding economic opportunity in a growing national economy for the million and a half farm families and 11 million rural non-farm families who now have relatively adequate incomes.

The Job Ahead

As crude and approximate as these calculations are, they certainly point up the huge job we face if we are to provide reasonably desirable opportunities on the land for people. It means we must generate approximately half again as many new or improved economic opportunities as there are now full-time jobs in rural areas.

Some have urged more rapid rural-urban migration as the major solution. Maybe it is. But, on the other hand, migration may not be the best total answer. We would like your ideas.

With the complexities and special problems of urban living, with the huge public and social costs of overcoming the problems of large scale urban population growth, and then put on top of these the implications of nuclear, chemical and biological war, there can be found no sensible reason why national policy should be directed to depopulation of rural areas.

In fact, new urgency would seem to be needed to the stream of thought popularized by Thomas Jefferson that rural America might be a good place sociologically for a sizeable share of our population to live and work.

As one Nebraska banker said, while commenting on the migration of low farm income families: "Every time we lose 10 to 12 farms from our community, we lose the people who would spend the income to sustain one average size small town business. Ten fewer farm families means 35 fewer people to buy shoes and groceries and overalls and shirts. This hurts a community."

Let's ponder the problem some and ask ourselves a few questions. Do we want this rural-urban migration to continue and add to the burdens of the already crowded cities? What shall we do, as leaders, to provide adequate opportunities for those who remain in rural areas? What do we need to do to better prepare rural youth and adults for the move to city, if they want to move? That's our problem too.

Ladies and gentlemen, we need your ideas, your wisdom, your judgment. We don't expect to solve these problems overnight, but we don't intend to ignore them either, hoping they'll go away.

We are well aware that there is a crying need for more jobs so that people may remain in the rural areas. We have noted with appreciation and interest the recent "Washington Post" editorials, urging this point of view.

As we well know, the Department of Agriculture has not been idle over the years in its attention to these problems. A lot has been done. But obviously not enough. Otherwise, there would not still be so much rural poverty.

We in the Department of Agriculture are currently engaged in a determined effort, of which this conference is a part, to improve, step up and sharpen our services in this regard. Secretary Freeman early directed all agencies of the Department to review their services and give top priority to this effort.

Our aim is to eradicate the blight of rural poverty from our land with this generation.

Public Resource Management

As previous speakers have already pointed out, a more nearly adequate level of public resource management, conservation and use will directly add employment opportunities for people on the land. Even more in numbers of new jobs would result because better public resource management will set up the basis for additional industrial and commercial opportunities. I will give some specific examples later.

Public Sector Investment

We are giving increased attention to the decision-making process by which location of new Federal and State installations and of public supply contracts are determined. We would appreciate any help you can give us in how we can get a higher proportion of new contracts and new installations placed in the rural areas.

Rural Industrialization and Commercial Enterprise

Sometimes in speaking of the rural areas development program, I have said our purpose is to start a chain reaction of increased purchasing power -- to start the cash registers on Main Street to ringing more often and more merrily.

We aren't promising miracles, by any means, but we do expect some miracles to happen in this program. What we aim to do is to help the local folks identify their opportunities, and to help them to take advantage of their opportunities.

We have assigned the specific job of stimulating the development of rural industrial and commercial enterprise to the Rural Electrification Administration.

It is fortunate that we have the successful rural electric experience to rely upon -- that we have the experienced rural electric and telephone cooperatives and other cooperating local groups to rely upon. From nearly 30 years of operating farm programs of various kinds these 1800 electric and telephone borrowers and thousands of other local committees and governing boards have developed a lot of know-how in building locally-owned and locally-controlled businesses and other enterprises.

During the past year, the Rural Electrification Administration made many important contributions to expanding industrial and commercial enterprise in rural America. The program authorized by Section 5 of the REA Act has been put to work to finance with REA loans, through electric borrowers only, the purchase and installation of electrical machinery and equipment for industrial, commercial and agricultural purposes.

Through these Section 5 loans new job opportunities were opened up in North Dakota, Minnesota, and Illinois. The first loan of $25,000 was to a rural electric co-op in North Dakota which in turn made a loan to a building supply

firm for the purchase of electrically operated gravel-crushing machinery. This gravel operation will employ 10 people, in addition to helping other businesses in the community.

A second REA loan of $280,000 went to a Minnesota electric co-op which in turn lent $250,000 to the operator of a millwork plant to finance electrical equipment. This plant employs 160 persons, and expects to expand to where it will employ 225 persons full-time. Besides this, during the winter, it uses the services of 172 farmers, to cut trees and bring them to the plant. This provides extra income for these farmers, whose farm income isn't sufficient. The electric co-op also lent $30,000 to a company for grading and processing seed potatoes.

REA's greatest contribution to setting the foundation for expansion of rural industry and commercial enterprise in rural areas is its regular electrification and telephone loan programs. In 1961, the agency's 1,000 electric borrowers, ranging from Alaska to Puerto Rico, connected an additional 148,000 rural consumers, including an estimated 12,000 new business firms, processing plants and industries. -- New opportunities for countless rural people.

More than 186,000 telephone subscribers were connected, many of them receiving telephone service for the first time, and all of them receiving their first rural dial service. Automatic dial telephone service, is, of course, practically a requisite for developing new local enterprise in the country today.

REA borrowers also were serving and helping to plan vital community facilities, such as schools, hospitals, water systems, fire departments, churches, airports, libraries. These facilities not only were enhancing rural community life for residents, but increasingly, they were determining whether or not a new rural industry would build in a particular area.

Of the $259 million in electric loans approved by REA during 1961, more than $145 million was approved for generation and transmission purposes. This amount includes the largest single loan ever made by REA -- for more than $60 million to finance a southern Indiana generating plant.

These REA loans, by assuring rural consumers of lower cost, more adequate and more secure power, encourage the development of new home-grown industry, since the electricity is the life blood of the modern factory.

REA, also, administers important phases of the industrial and commercial enterprise loan program under the recently enacted Area Redevelopment Act. Operating through a new established Rural Areas Development Staff, REA aims to help new and expanding rural industrial and commercial enterprises to obtain from all appropriate sources the package of credit and technical services they needed to get into operation.

Direct and important contribution to the rural industrialization efforts is made by all the other agencies of the Department.

Forest Service has stepped up its activities in the rural areas to provide more job opportunities. Up in Minnesota, for example, the Forest Service increased their appropriations by $843,000 in the Minnesota National Forests. This money will provide from 12,500 to 15,000 more man-days of employment in that area. That may seem like a small thing, but we must realize that the gigantic pyramids of Egypt are made up of many small stones, and this program of providing employment has a way of pyramiding, itself.

Down in Mississippi rural areas development activities of Forest Service have resulted in the building of a new charcoal briquetting plant, which is providing a market outlet for a number of kilns in that state. After working with the Forest Products Laboratory, the new plant was successful in obtaining nationwide outlet contracts through a big chain of supermarkets. Consequently, it is now providing employment to from 35 to 60 employees at the plant, and has indirectly created additional jobs at a number of other charcoal kilns throughout the state.

The Department's small watershed program, under Soil Conservation Service, has done and is doing much to provide new opportunities in Rural America. I wish you could go down to Culpeper, Virginia, or Six Mile Creek Watershed in Arkansas and see for yourselves. A small watershed project often acts as the catalyst to a whole rural development program. Family farm improvement, soil and water conservation, water resources control, industrial development, commercial expansion, improvement of community facilities and recreation -- they all fit together, like a well-planned, well-made building.

Let me give you an example of how all the elements of area development, farmland, water resources, manpower, industry, have a way of fitting together.

A few years ago, a big plant opened in a rural Southern Ohio county with a majority of small, low-production farms. Many of the farmers found work helping build the plant, and permanent work in the plant upon its completion.

This development offered an opportunity for some of the full-time farmers to buy or rent land from their neighbors, not only to make up economic units but, just as important, to maintain conservation practices on what had been idle, often neglected land.

There are many other Department programs which can help to expand rural industrial and commercial enterprise - ARS utilization research, AMS services and research, the statistical and research work of ERS and SRS.

Many services are also available outside of the Department of Agriculture, which are helping in our program of total development for all rural America. For example, where a rural applicant can meet the modest minimum criteria, Small Business Administration is in a position to make an industrial loan. These are over and above the role Area Redevelopment Administration plays in the 467 designated rural counties.

The following is a good example of how the various sources of credit can be pulled together to provide a processing plant for local products, thus providing higher income for the farmer, and employment for rural people:

Let's say a dairy-products processing plant is needed to provide a milk outlet for farmers residing in and around an Indian reservation. A plan is developed to secure the financing for the project. The Bureau of Indian Affairs, Department of Interior provides the Indian tribe with part of the funds, enough to finance the building. An REA-financed electric cooperative proposes to finance 80 percent of the electrical equipment. The local people raise part of the funds, and finally the operating company provides the working capital. That is coordination of sources of financing, so often needed for rural development. Greater industrialization has long been a dream of many rural areas. Can we bring it to pass? That is a prime question.

Commercial Enterprise in Outdoor Recreation

Probably the most promising potential for building greater economic opportunities in many rural areas is in connection with expanding outdoor recreation of a growing population.

In 1960 over 93,000,000 persons visited our national forests and recreational sites. And, it is estimated that this number exceeded 100,000,000 last year. Now, think for a moment what it means to the economy of the area of one of these parks, if each visitor spent only $10, and I'm sure from my own experience that they spend much more than that. But, for comparison's sake let's say they spent only $10 per person. That comes out to over $1 billion spent for recreational purposes. That's quite a tidy sum in anyone's book of economies. And you can multiply that sum many times over and over again.

Each visitor probably spent extra money for clothes for his trip. There were transportation, lodging, and meal expenses. There probably was money spent on film, personal services, etc. There's hardly any way of telling how many more jobs were created by people just visiting national parks.

Besides providing additional income to people in rural areas, recreational facilities can permit the diversion of some cropland to higher beneficial public uses. There are many things we can propose to promote this type of program. For instance, there could be a federal cost-sharing credit, and technical assistance program, which incidentally, is already working to some degree, to provide local organizations with funds for development of recreational capacity in selected watershed reservoirs.

REA, through its Section 5 loan provisions recently approved a $30,000 loan to a northern Illinois electric co-op, which in turn lent the money to a ski resort, which opens the area to recreational purposes, providing direct employment for the ski resort people, and indirect employment to the people of the community.

This recreational center, started by two energetic men, was having difficulty getting off to a good start due, principally, to a lack of proper snow-making equipment which would protect it against the variable weather conditions and insure a steady income from the operation of the ski lift and a restaurant. The short winter days will also be lengthened by outdoor lights which will make the resort a nightime attraction, too.

Community Facilities

In many rural areas, the lack of modern and improved community facilities such as water and sewage systems, rapid convenient transportation, and cultural opportunities has been a deterent factor not only to general community improvement but also to more rapid industrialization.

You may be interested in knowing that of the 27 projects, which Agricultura has recommended to Area Redevelopment Administration, as of January 4, nearly one-half of them were related to water, and/or sewage disposal projects.

To make certain that no gap exists in Federal services required to meet the need for rural community facilities, Farmers Home Administration and the Office of Rural Areas Development are engaged in a broad exploratory survey, in cooperation with the Community Facilities Administrator of Housing and Home Finance, to determine what programs other than the existing watershed and water facilities loan programs, and other Federal activities in the field, are needed. Farmers Home Administration currently makes loans to public bodies in connection with Soil Conservation Service watershed projects; makes loans to establish water systems for farmers and small towns, and carries out the Department's delegated functions with respect to the community/facility loan and grant program under the Area Redevelopment Act. Housing and Home Finance Agency, through its Community Facilities program can make long term low interest rate loans for water, sewage disposal and other community facilities.

Although not strictly a community facility activity in a strict sense, the rural housing loan, grant and research program of the Department should be mentioned in this regard. Better housing makes rural communities more attractive to industry, commerce and recreational development. Building houses in itself provides expanded payrolls. And the total need for improved rural housing is far from met.

Family Farm Development

Let us not forget that the basic source of economic prosperity in rural America and a basic bulwark of democracy in the Nation is farm production and farm income on family farms.

There is a place in America for both full and part-time family farms; the goal is to make certain that the families who live on them shall have adequate incomes and economic opportunity. We need to make certain that appropriate services are available to enable these families to develop both their non-farm and their farm employment and income opportunities so that they can operate as a family on an adequate basis. Such rough estimates as we have been able to make indicate that over the next 20 years, appropriate institutional and resource adjustments can be made in American agriculture and elsewhere in rural areas to provide ample economic opportunity and services for at least 3.5 million families on full and part-time family farm operating and retirement units.

You are familiar with the services of the Department that will help both full and part-time family farmers to make the needed institutional and resource adjustments for more rewarding farm operations. I shall not burden you with a detailed inventory.

However, I do want to say that we are working toward a closer coordination and more concentrated approach in mehsing together, on a farm-by-farm basis, the educational services of Extension Service, the technical services of

Soil Conservation Service, the cost-sharing conservation program of ASCS and the loan programs of Farmers Home Administration, Farm Credit Administration, rural credit unions and other elements of the farm credit system.

In this our special emphasis will be on providing effective services to enable families on inadequate units to become operators of fully adequate full or part-time family farms. Our progress to date has been gratifying. We earnestly request your ideas for further improvement and for means to speed up the process.

Speaking of Farmers Home Administration programs, Secretary Freeman recently said: "Without such help many efficient farmers would have been forced out of agriculture, thus adding to the already serious hard-core unemployment in the Nation."

We are trying to work out effective and realistic ways in which we can make certain that full credit resources can be concentrated along with SCS technical assistance on long-range soil and water use planning and ACP cost-sharing to be made available, in a coordinated way, to each of these families who are seeking to develop an inadequate farm unit into an adequate one, either full or part-time size.

I need not, before this audience, expand upon the value, in building adequate family farms, of the education work of the Extension Service

The long-range soil and water use planning and implementation available from Soil Conservation Service plays a major role in family farm development. This service backed up with ACP cost-sharing and appropriate credit from Farmers Home Administration, the cooperative institutions of the Farm Credit Administration and other sources has a crucial importance to a family that is trying to develop an inadequate farm unit into an adequate family farm.

Last year, Farmers Home Administration advanced a record $490 million in loans to rural families to finance needed farm adjustments, better rural housing, development of water systems and soil conservation. This was a 46 percent increase over the amount loaned in 1960. About 183,000 rural families used credit facilities of the agency during the past year. Careful estimates indicate that the great bulk of these loans were obtained by families in the low income category who are now moving into a more nearly adequate family farm operation. The loans administered by FHA were greatly improved in potential effectiveness by Congress last year.

Farmers Home Administration is pursuing a vigorous policy of trying to meet the needs of family farmers in need of credit to meet the rising costs of farming.

Farm Income

Steps have already been taken by Congress and by the Executive Branch to improve farm family income through a better balance of the abundance of America's family farms and greater emphasis on natural resource conservation. Improvements in important commodity programs have added a billion or more dollars to farm family incomes in 1961, and prospects are that the 1961 level will at least be maintained in 1962. At the same time the cost of such programs to the Federal Government has been reduced by half a billion dollars per year. We are proud of this achievement.

Expansion and improvement of the Department's production disaster programs also have a major contribution to make to improved security of people on the land.

We need to continue to improve the Federal Crop Insurance program until it is soundly available to all farmers in all counties.

Even if we are successful with all of the efforts and programs I have so far discussed, an adequate basis for farm income can be obtained fot the foreseeable future only by the adoption of workable farm income and price stabilization programs for the commodities that are produced by family farmers.

I understand the President intends to send a special message to the Congress on this subject and I will not dwell on it here.

In addition, at this point, it would be well to mention the significance of social security, old age and survivors insurance and similar programs and our current search for additional ways, if they are required, to meet the needs of low income aged in rural areas.

Expansion and improvement of these programs have an important bearing on bringing a parity of prosperity to rural America.

Better General and Vocational Education in Rural Areas

The need for and justification of better schools and vocational training facilities in rural areas is so well known that I shall not discuss it in detail. The Office of Rural Areas Development in cooperation with Farmers Home Administration and Extension Service are exploring the needs and possible avenues of additional action in this field with the Departments of Labor and Health, Education and Welfare. They are also cooperating closely with these other Departments on the expansion and operation of the retraining program now in operation under the Area Redevelopment Act.

Projects for training of tractor drivers are in the works, almost ready for implementation; and projects for training workers for electrical appliance repair work are in the exploratory stage. Several retraining projects involving rural underemployed as well as urban unemployed are already in operation in West Virginia and elsewhere.

We will benefit from your advice and suggestions on these matters. Better educational and training facilities for both youth and adults are needed; we hope to expand and buttress this work.

Vocational Counseling and Guidance

Working in consultation with the Department of Labor, the Farmers Home Administration and Office of Rural Areas Development are studying the need for Farmers Home Administration and the Employment Services to close whatever gap may exist in rural areas in the existing services of youth and adult career counseling, vocational guidance and labor recruitment and placement. Again we will welcome any information, suggestions and advice you can give us on this phase of providing more opportunities for people on the land.

Area Concept

In this discussion of Federal services and resources available for rural economic development, I am sure that the recital sounds as if this were a cafeteria operation. As you go down the line with your plate the attendant would help you to close a loan from Small Business Administration and combine it with an REA Section 5 loan and a private bank loan and an ARA loan for a new industry. Further down the line you pick up a community facility, some rural housing, some outdoor recreation and some newly developed adequate family farms.

And in a real sense the Federal services available to further rural area development is a long inventory list, each item of which we are trying to improve in effectiveness. And you could think of each separate program as bring strung out down a cafeteria line.

Actually, we know the cafeteria system has not been fully effective. Therefore, the Secretary of Agriculture directed that arrangements be made to package these services on an area by area basis. What one individual or one business or one county might not be able to do alone, all of the people of a trade or labor market area might be able to do in a concerted and coordinated way.

Each agency of the Department, and, under the Area Redevelopment Act, each Department of the Executive Branch, have been directed and encouraged to pool and package their programs along area lines to bring maximum support to local and private efforts in rural areas for more rapid economic development.

In the Department of Agriculture we have geared our full machinery of resources to a new and concentrated program of revitalizing opportunities for people in rural America. If it is to run on all cylinders, it requires the will and the help of the local people. They turn the switch. They supply the spark and the fuel. We, in government, provide supporting services. But the local people drive the machine that will bring new horizons of prosperity to their local communities.

The process of government alone cannot and should not shoulder all the humanitarian responsibility for the economic problems of people on the land. Citizen responsibility is called for and it can be either in the inadequate and undesirable terms of welfare and charity or it may be expressed in the business-like and productive terms of positive development of the resources of the area.

We believe that rural people want to take the latter course. That's the aim of our rural areas development program -- to backstop local initiative with all the tools available -- financial and technical. Through this approach we search out and try to develop what the Kellogg Foundation calls "pockets of opportunity" in full cooperation with local leaders and existing agencies.

Local Initiative -- Essential Ingredient

The initiative and the effort for successful programs of growth and progress must come from local people working with interested State and local government officials.

We in Washington know, just as you know, that Washington cannot take the main responsibility for developing new jobs in rural America. Nobody in Washington can or should substitute for local private enterprise. The spark and the momentum -- yes, and the wisdom and judgment too -- can only be supplied by the enlightened, effective and determined efforts of rural people themselves.

We have been gratified at the response of State Extension Services to the request by Federal Extension that they assume leadership responsibility for helping organize local initiative and efforts for area planning and development.

Right now, in just about every State, local Rural Areas Development Committees are being organized. These groups, made up of people interested in the progress of their communities, are already at work. They are --

-- planning area-wide improvement and growth..

-- finding out what resources they have, what potentials

-- learning about sources of help to assist in the campaign to build prosperity at home.

And in just about every State, Rural Areas Development Committees are being formed to help the counties and areas promote such programs. The State agencies and organizations represented have a wealth of services and talents to help localities get started, and support them after their programs are underway. We have strongly urged the local folks to make their committee membership as broadly representative of all interests in the area as their meeting hall will permit. To be responsive and to be responsible, these committees must be representative -- not just of an elite but all the different sorts of people and economic groups the attainment of whose legitimate aspirations are involved in rural areas development. If anyone has not been invited I hope he will elbow his way in. Rural areas development is as broad as the Nation -- and its membership should reflect the entire population in each area.

Federal government workers are not members of this committee. Instead they take part in State and local programs as members of what we call technical panels. They are ready to help when called upon.

Rural America often has unique problems in operating economic development programs. One of these may be total lack of machinery for economic planning and administration. City officials with their big staffs of hired experts have this machinery. But too often it does not exist in rural areas. Rural areas development is based on volunteer service. We expect the volunteer State, area and county development committees to provide the planning and implementation machinery that would otherwise be missing.

Rural leaders are rededicating themselves to this task. Citizen groups, farm organizations, church groups, labor unions, business organizations and local governments are moving ahead in Area Development Committees composed of people of all religions, all colors, all walks of life. Only local people and their organizations and their local governments on a broadly representative basis can develop the drive that will get the job done.

We in Washington have been challenged and spurred on by the widespread enthusiasm in rural America for development. We are responding to their initiative. We are gratified by their impatience.

The speed with which rural areas designated under the Area Redevelopment Act have gotten organized and have formulated overall economic development programs and processed industrial and community facility project applications indicates they have both the will and the drive. We know that the local leaders will guide the whole block of available services, private, State, local and Federal, toward a positive solution of the troubles of the local areas.

When the opportunities are located, specialized aid of the best type procurable will be used to seek economic and social progress. We like to think that our rural areas program is evolving a vigorous and aggressive local action program to develop the latent resources of each rural area, in creating new hope, while routing despair and the feeling that every avenue is a dead end.

In closing, let me repeat we do not believe that up-dating American agriculture along sensible lines will require the depopulation of rural America. On the contrary, we feel that great national purposes and goals justify and require that attractive opportunities be made available that will enable the next generation to stay in dignity and with an adequate standard of living near the birthplaces of their grandfathers, if that is what they want to do.

Our purpose is to provide all rural people including the low-income and disadvantaged with attractive and workable alternatives so they can come and go in America with freedom and equality of opportunity without sacrificing either their dignity or their security. We hope also to eradicate in our lifetimes the causes of rural poverty so that the next generation of rural babies, regardless of race or region or economic status of their forefathers, can start life with a true realizable equality of opportunity.

Our aim is security and prosperity for people on the land in rural America. Your discussions here today and your continuing advice will help us to improve our services such that we can be of maximum effectiveness to support the drive of people in rural areas to attain their legitimate aspirations in their own way.

Age, Sex, Race and Residence Distribution of Population of RURAL Areas 1/

April 1, 1960

(Thousands)

	Total	Under 5	5-14	10-19	20-44	45-54	55-64	65 & over
Total rural population	54,054	6,261	11,809	10,213	16,119	5,878	4,466	5,033
White	48,403	5,420	10,291	8,921	14,650	5,389	4,105	4,632
N W	5,651	841	1,518	1,292	1,469	489	361	402
Village	6,497	710	1,294	1,106	1,900	730	586	795
White	5,996	638	1,171	1,006	1,769	681	548	751
N W	501	72	123	100	131	49	38	44
Other rural	47,558	5,551	10,514	9,107	14,219	5,148	3,881	4,239
White	42,407	4,782	9,120	7,915	12,882	4,708	3,557	3,880
N W	5,150	769	1,395	1,192	1,337	440	324	359
Total rural male	27,598	3,191	6,060	5,343	8,128	3,022	2,282	2,517
White	24,736	2,770	5,292	4,675	7,390	2,774	2,099	2,316
N W	2,862	421	768	668	739	248	184	202
Village	3,150	360	655	550	913	357	275	355
White	2,909	324	592	500	853	334	258	333
N W	241	36	61	50	59	23	18	19
Other rural	24,449	2,830	5,406	4,793	7,215	2,665	2,007	2,164
White	21,827	2,445	4,699	4,175	6,537	2,440	1,842	1,981
N W	2,622	385	706	617	679	225	166	182
Total rural Female	26,456	3,070	5,749	4,871	7,991	2,856	2,184	2,515
White	23,667	2,650	4,999	4,246	7,260	2,615	2,006	2,316
N W	2,789	420	750	624	730	241	178	199
Village	3,347	350	641	557	988	371	310	441
White	3,087	314	579	506	914	347	290	418
N.W	260	36	61	50	72	26	20	23
Other rural	23,109	2,720	5,109	4,314	7,004	2,484	1,874	2,075
White	20,581	2,337	4,420	3,736	6,346	2,268	1,716	1,862
N W	2,528	384	689	574	658	215	158	176

1/ There is 14,622,000 other rural population, farm and non-farm, in U. S., not counted in Table above -- these 14 million live in "urbanized" areas.

Source: "U. S. Census of Population", U. S. Summary, General Characteristics, 1960 Tables 46 and 47

Incomes of Families in the United States, 1959 1/

1. Number of rural nonfarm families - - - - - - - - - - - -	13,642,000
Number with incomes under $2,500 (17.6 percent) - -	2,400,992
2. Number of urban families - - - - - - - - - - - - - - - -	27,620,000
Number with incomes under $2,500 (14.1 percent) - -	3,894,420
3. Number of rural farm families - - - - - - - - - - - -	3,800,000
Number with incomes under $2,500 (45.8 percent) - -	1,740,400
4. Number of all families - - - - - - - - - - - - - - - - -	45,062,000
Number with incomes under $2,500 (18.0 percent) - -	8,111,160

1/ From: Current Population Reports, Consumer Income Series P-60, No. 35, U. S. Dept. of Commerce, Bureau of the Census, January 5, 1961.

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EXECUTIVE OFFICE RELEASE MADISON, WISCONSIN

FOR RELEASE ON DELIVERY, 10:00 A.M., MONDAY, JANUARY 15 62-16

Speech by Gov. Gaylord Nelson of Wisconsin - Conference on Land and People, Washington, D. C.

Today we are gathered for a conference about land and people. Since all of our outdoor resources are tied to the land in one way or other, I trust it is appropriate to talk of these resources in general.

A few decades ago our forefathers thought our resources were inexhaustible. They didn't bother to manage these assets -- they consumed them and they destroyed them. They had learned nothing from the history of the near east, the far east or Europe. And, tragically enough, we have learned nothing from our forefathers or those who preceded them. We now are committing all their crimes against nature and have added a few of our own -- such as pollution of the water and the atmosphere. Even worse we have developed machines with a frightening capacity to alter the landscape. Then we have combined the power of the machines with a fierce determination to lay waste to everyting around us, guided and controlled only by the profit and loss column in somebody's ledger book. We drain our wildlife refuges and wetlands to grow mint for juleps and chewing gum, we pollute our fresh water lakes and streams with industrial waste and city sewage, we let our cities sprawl all over the countryside without regard to proper land use or the preservation of scenic beauty, we destroy our wilderness areas to harvest the timber or mine the ore -- all of this we do in the exalted name of progrss -- economic growth -- industrial development -- call it what you will. And then when some misguided nature lover challenges our recklessness, we shoot down that unpatriotic socialist in the name of free enterprise.

Meanwhile we join together through our clubs, our business groups, our news media, our political parties as one mighty cheering section

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to give our unqualified endorsement to all the efforts and enterprises of these men of action, these builders of the future. We travel at a rapid pace. We never have time to pause and ask what it is we are trying to build? What is this future we talk about, and what will it look like when we get there? Well, I have a pretty good notion of what the future holds for us if we continue to sprawl out all over this nation, unguided by any plan or vision or idealism. A few decades from now we'll all live in an asphalt paradise where, of all our wildlife, only the rabbits, the rodents, and the sparrows can thrive.

If this sounds dramatic, it only sounds that way because it is. When we look at what is happening to our forests, our lakes and rivers, our recreational open spaces, our wetlands and wilderness areas, it is not cause for concern, it is cause for alarm. We are losing them, and we are losing them at a pace that should shock every thoughtful man and woman in America.

Of all the domestic issues facing our nation, I believe that this is the most crucial. It is the single issue that demands immediate action. I recognize that many of us are interested in a whole body of social and economic legislation. But the goals of such legislation are not lost if action is postponed, if the bills are enacted later. The goal of preserving our outdoor resources will be lost unless we act now. The resources destroyed in the next few years will be lost forever, and these losses will include many of the best and most vital outdoor assets in every state in the nation.

My own State of Wisconsin ranks among the top few in the abundance of its fresh water assets and outdoor resources of all kinds. Yet we, like every other state, are now forced to face up to the unprecedented pressures that threaten these resources.

In Wisconsin as elsewhere, our population has increased rapidly.

We have added a half million people in just ten years, and this growth alone has created 58 potential new users for each of our state's 9,000 lakes and more than 16,000 new people for each of our 32 state parks.

In addition, construction of local airports and completion of new superhighways have brought Wisconsin's lakes, streams, parks and forests within easy weekend reach, for the first time, of many millions in the metropolitan areas of neighboring states.

Beyond this, there is the simple fact that Americans today have more cars, more boats, more motors, more leisure time and more money to be spent on outdoor recreation. And as more and more of our state and national population is squeezed into vast metropolitan centers, the urge to find respite from urban problems is constantly heightened.

We know, for example, that the number of fishermen in the United States is increasing almost twice as fast as our national population. And we know that in Wisconsin at least, boat ownership is increasing 10 percent a year, which means that the number of boats registered in Wisconsin will double in the next ten years, meaning 24 additional boats for each of our state's 9,000 lakes.

All these mounting pressures, moreover, are being applied to a steadily shrinking resource base. In Wisconsin, experts say that urban expansion will consume nearly one million acres of our remaining rural lands within the next 15 years. There is also the pressure of industrial expansion, with its new demands for land, water and timber. And there is the constant pressure on our farmers to increase their income by diverting additional water for irrigation and by putting new land under the plow.

The effect of all these pressures on Wisconsin's outdoor assets have been dramatic and deeply disturbing. I know that they must seem even more

These are the stark facts that have led me to propose comprehensive new programs in every area that could contribute to the preservation of Wisconsin's outdoor recources.

Some of you may be aware of at least one of these programs. I speak of the $50 million, ten-year resource development program recently adopted by the Wisconsin legislature at my request to be financed by a 1¢ a pack cigarette tax. This program is entirely separate from the Wisconsin Conservation Department's own $13 million annual budget. Its overriding objective is to secure for the public those vital outdoor resources that are fast disappearing. It is essentially an acquisition program, designed to establish permanent public protection of our best and most valuable assets. Briefly, this is how the $50 million will be spent:

1. $33 million for parks and state forest recreation areas, involving at least nine entirely new parks, 145,000 additional acres of land at both new and existing facilities, 5,000 new campsites, 41 beaches, 80 new picnic areas, 50 utility systems, and 300 miles of hiking trails.

2. $5 million for acquisition of game habitat, involving 353,000 acres of additional wetlands at 85 existing projects and 79 new projects.

3. $4 million for acquisition of fish habitat, involving 103,000 additional acres of shoreline property at 57 existing projects and 46 new projects.

4. $2 million to purchase the permanent rights to protect scenery along some 3,000 miles of Wisconsin highways.

5. $2½ million to establish three youth conservation camps, where 600 Wisconsin boys will spend six-week summer terms working on conservation projects in return for room, board and $18 a week.

(MORE)

6. $1½ million to finance dams that will create 25 to 30 new lakes in the flood control projects in southwestern Wisconsin, which is now the only part of the state devoid of lakes.

7. $1 million in state aids to help metropolitan areas acquire urban open spaces.

8. $400,000 for tourist information centers at key points of entry to Wisconsin.

9. $320,000 for careful planning of future projects and priorities.

To make the $50 million go as far as possible, we are going to use a substantial share of the funds for purchase of easement rights, rather than outright acquisition. The easement approach offers several distinct advantages. First, it is much cheaper than outright purchase, since the state pays only for those rights in the land that it deems worth preserving in the public interest. Second, the owner continues to use the land for private purposes so long as those purposes do not interfere with the rights sold to the state. Third, the land stays on the tax rolls, thereby avoiding local objections for eroding the property tax base. Fourth, the state is enabled to buy the rights that will permanently protect resource values, even in cases where the landowner has no intention of selling his property outright.

In the $50 million resource development program, we will buy the permanent rights to protect scenic beauty along our highways, to provide public access, to assure public hunting and fishing rights, to protect headwaters, to stabilize stream banks, to provide wildlife habitat, to prevent drainage or filling of wetlands, and to protect woods along lake shorelines.

In the ten-year program, we have earmarked about $7½ million of the $50 million for purchase of permanent easements, and such easements

(MORE)

will be used to protect one-third of all the land involved in the entire program. I am convinced that this $7\frac{1}{2}$ million will assure the public permanent preservation of outdoor assets that would cost Wisconsin between $15 and $20 million if we had to rely solely on outright purchase.

As important as the $50 million program is, however, I do not want to leave the impression that this is the only thing we have done in Wisconsin to meet the crisis in preserving our outdoor resources. In 1959, the Wisconsin legislature adopted my proposal for the first statewide program aimed at providing public access to lakes and streams. This program is now well underway, and we have already provided public roads and boat-launching facilities to many lakes that were previously closed to the public. And every new lake opened to the public, of course, helps reduce the population pressures on other lakes in the same area.

In 1959, also, the legislature approved our proposal for a statewide lake classification program. Under this program, we are now making a complete survey of all recreational waters in Wisconsin. When this is done, we will know the recreational potential of every lake in the state. We will know where the line on population pressure must be drawn to preserve the lake from destruction by overcrowding or pollution.

A few months ago, we also began work on Wisconsin's most massive planning effort. Our aim is a comprehensive plan for the wisest future use of all our natural and human resources. When finished, this plan will inter-relate all aspects of Wisconsin's future development, so that our outdoor resources, population growth, future highways, urban expansion and recreational development can all be carefully planned to complement one another and produce the best possible growth pattern for the well-being of the entire state.

(more)

We are also trying to win acceptance of new concepts of zoning as a method of preserving Wisconsin's outdoor resources, including our waters, land and scenery. I am sorry to report that I have not had much success with the Wisconsin legislature in this particular field. But I think zoning is an important tool in the protection of outdoor assets, and I am convinced that it will come once the public understands its merits.

There is nothing new about zoning. The device is accepted as a necessary and valuable tool of control in many other areas. Long ago, we zoned our cities to prevent unwise development. We have established speed zones on our highways to prevent accidents. We have established quiet zones around our hospitals. And we even zone the altitude ranges of our skies to prevent airline crashes. But we are far overdue in zoning our lakes for the optimum public use consistent with preserving their value as basic resources, just as we are overdue in zoning to protect roadside scenery and land development at interchanges.

I have proposed bills to establish billboard control zones along selected scenic stretches of our 11,000-mile state highway system. I have proposed bills to establish joint state and local zoning powers over land adjacent to new highway interchanges, with the aim of preventing the creation of roadside slums and billboard alleys. And I have proposed bills granting the state limited powers to zone lakes as to the size of motors allowed and the water sport activities permitted near the shoreline.

I have tried to describe some of the ways we in Wisconsin have been moving to meet the crisis we face in protecting our outdoor resources. I am sure that you in other states have found other methods.

(more)

We are here to exchange ideas, and that is the real value of this conference.

I also want to thank the federal officials who are sponsoring and participating in this conference. President Kennedy has expressed a keen awareness of the acute conservation challenge confronting America, as have many members of his Cabinet. This conference today is just one sign of the new vigor and new leadership which Washington is providing in the desperate fight to preserve the natural resources of our nation.

The key to our success is political leadership -- at the Federal, State and local levels. From the public reaction to what we have done and proposed in Wisconsin, I believe that this is one area where the people have long been ahead of the politicians. I believe that they are waiting anxiously for imaginative new programs and for leadership to carry out such programs. There is no need for additional studies. We know the facts and they are alarming. The time for action is at hand. The opportunity will be gone in a handful of years.. The choice we are faced with, quite simply is now or never.

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U. S. Department of Agriculture
Office of the Secretary

OUR NEEDS FOR THE PRODUCTS OF LAND AND WATER

Our Dependence on Land and Water

We have become a nation that is 70 percent urban, and in which the farmers buy two-thirds of the ingredients from which food and fiber are made. Only about 15 percent of the value of the input-mix used in farm production is contributed directly by "real estate". Yet we are as dependent on soil and water, air and sunlight, as ever.

We have learned to stretch an acre of land --through more fertilizer and better practices -- so that it supplies food, fiber and forest products for more people. And water is more productive because we apply conservation practices to it. Progress in technology saves time, too, so that fewer people are needed on the farm or in the woods.

The provision of food, fiber, and forest products will remain our primary use of land and water. But technical progress in agriculture has given us a higher level of living and has given us the income, the leisure, and the necessary margin of natural resources to make it possible for us to look to land and water for new uses over and above our needs for bare subsistence.

We use increasing amounts of land for housing and highways. As the world's most suburban nation we use land extravagantly. One-third of our entire population now lives in the suburban belts -- and thousands more of city workers have gone farther out into the open country. Our rural nonfarm population now exceeds farm people by 3 to 1.

Address by Willard W. Cochrane, Director of Agricultural Economics, U. S. Department of Agriculture, before the National Conference on Land and People, Washington, D. C., 10:40 a.m. (EST), January 15, 1962.

3904 USDA 166-62

Only in the last few years have we begun to be concerned about the disappearance and mutilation of the open space about our cities. We are beginning to realize that open fields to look at, to walk across, and for children to play on, have value to urban people.

An increasingly urban population also looks more and more to land and water for recreation. It wants opportunity for boating, fishing, hunting, and places to camp. Interest in outdoor recreation in the past 15 years has increased more rapidly than population, and the variety of outdoor recreation activities has increased. Recreational visits to the National Forests have increased 10-fold since 1945.

All kinds of land and water provide opportunities for recreation. In addition to the forests, with their attractive combination of woods, hills and water, there are many areas of desert and wasteland that have unique recreational values. Rangelands, too, are important for wildlife production, hunting, and horseback riding. Croplands are a major source of small game birds and other animals.

Much recreation is water-oriented. Boating, skin diving, water skiing, swimming, and fishing are fast-growing sports. Recreational visits to the reservoirs supervised by the U.S. Corps of Engineers were estimated at more than 100 million in 1960. Reservoirs built in connection with the watershed projects of the USDA are providing some recreational opportunities. Much more recreation could be provided by these projects if fully developed.

The Multiple Uses of Land and Water

Land and water are unique among natural resources in the extent to which they serve multiple uses. An acre in forest can provide timber, wildlife, recreation and protection of runoff and streamflow, all simultaneously. To meet

competing needs the land must be properly managed to give maximum long run benefits. Farm land can produce birds and small game along with crops and forage, and the yield of wildlife can be enhanced by offering appropriate incentives to the owners. Reservoirs and streams can be managed to produce wildlife and many kinds of recreation while at the same time providing flood protection and water supplies for human and industrial use or irrigation. Again, maximum benefits from all sources depend upon proper management.

The opportunities for complementary use of land and water are recognized in the well-established principle of multiple use. This principle is followed in the objectives of the Watershed Protection and Flood Prevention Act, which are stated as ..."furthering the conservation, development, utilization and disposal of water and thereby preserving and protecting the Nation's land and water resources." For the National Forests, the Multiple Use-Sustained Yield Act of 1960 explicitly provides that "The National Forests are established and shall be administered for outdoor recreation, range, timber, watershed, and wildlife and fish purposes." and which directs the Secretary of Agriculture "...to develop and administer the renewable surface resources of the National Forests for multiple use and sustained yield of the several products and services obtained therefrom."

The Determinants of Future Resource Needs

Our production potential to meet future national agricultural needs is a major factor in land and water policy. Realistic planning must be based on the best possible estimates of trends in population growth, economic activity, food preferences, technology, yields, imports and exports, domestic and foreign food programs and the requirements of all the various uses that compete for land and

water resources. Public programs also must take into account the uncertainties of the future and provide for unpredictable contingencies.

Department economists have made an appraisal of the effect of the above factors on demand for farm products to 1980. This has been used in connection with estimated production potentials by the USDA Land and Water Policy Committee to estimate the changes that need to be made in our use of land and water over the next 20 years.

Population growth is the most important single factor in determining total requirements for land and water resources. The Land and Water Policy Committee used a projection for 1980 for the 50 States of 247 million people, an increase of 36 percent from 1960. 1/

Disposable personal income per capita was projected to reach a level more than 50 percent above 1960, and total disposable income was expected to more than double. Since the income projections are in terms of constant dollars, the increases represent real gains in the output and consumption of goods and services.

Under the assumed economic framework, the domestic use of farm products would be expected to rise by about 40 percent in the next two decades. This estimate is based on increased population and a small increase in per-capita use of food. With the projected increase in real income per person by 1980 and positive food distribution programs as needed, an upgrading of the diet and some increase in per-capita use of food can be expected.

Non-food uses of farm products decreased almost 25 percent per person in the past decade, largely reflecting the increasing use of synthetic fibers,

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1/ This was the medium population projection used by the Senate Select Committee on Water resources. There are some recent indications that population growth may be moving closer to the Census Bureau No. II projection of 262 million for 1980. However, effects of variations in the population estimate could easily be offset by variations in feed conversion efficiency or export needs.

detergents, and other materials. A further decrease is projected for the next two decades, though at a slower rate.

Record exports of farm products in 1960 were about 90 percent above 1950 exports, partly as a result of government programs. For 1980 the volume of exports is projected at a level of 40 to 45 percent over 1960 exports. This implies a further acceleration in export programs. Total exports assumed for 1980 involve levels of around 800 million bushels of wheat, 8 million bales of cotton, and 16.5 million tons of feed grains, for example.

Resource Needs

Projected domestic use and export requirements for 1980 would require an increase in farm output of 41 percent above 1959. During the past decade, farm production increased by one-fourth, or nearly 2.5 percent per year compared with population growth of 1.7 percent per year. This excess of production above requirements resulted in a substantial buildup of stocks, particularly of grains. To meet our needs to 1980, we will not need as large an increase in annual output as we realized in the past decade.

Compared with 1959, projected output of crops needed to match requirements for 1980 would be up almost 38 percent; for pasture, up about 45 percent; and for the net contribution of livestock to total farm output, up around 44 percent. These estimates reflect no change in the efficiency with which livestock convert feed into livestock products. On technical grounds one could argue that feed efficiency should increase, but the Land and Water Committee consistently followed a practice of projecting straight-line trends from 1950-60 for crop yields, irrigation water requirements, and feed conversion. During this period our statistics reveal no average progress in overall feed efficiency.

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Our needs for water may draw more heavily on our resources than our land requirements do. At present, annual withdrawals of water for all uses amount to 25 percent of annual renewable supply. By 1980 this may be 63 percent unless we intensify our efforts to improve efficiency of water use.

The quantity of water withdrawn is the amount taken from a stream or other source and put to work, or used in some way. Some of it is returned to the source and is available for re-use. Actual consumptive use of water in 1960 was about 7 percent of renewable supply. In 1980 it is expected to be about 10 percent. The balance of supply and need varies greatly by areas. Many major western river basins approach or exceed the limit of available supplies. Many localities in the East have shortages of supplies to meet municipal and industrial needs.

The needs for water for irrigation will present some difficult problems because 60 percent of the water withdrawn for irrigation is consumptively used and thus made unavailable for re-use. There will be more areas where agriculture will face increasing competition with industry and cities for water. By 1980 it is estimated that agriculture will be responsible for only 73 percent of consumptive use of water compared with the present 85 percent.

The projected demand for timber for 1980 is 16 billion cubic feet, or about one-third above the current annual consumption. About seven-eighths of this would need to come from domestic timber, with the remainder from imports.

Needed growth to meet projected demand is estimated at 68 billion board-feet, or about 44 percent above present production. Projected growth, based on the continuation of recent trends and no significant changes in the area of forest land, would fall short of needed growth by about 14 percent. Deficits of about 28 percent would occur in growth of eastern softwoods and western species. This would have to be supplied by drawing upon existing stands.

While substantial growth in the overall demand for forest products is expected, there will be much variation among specific products. Per capita consumption of lumber has been declining since 1950 at an average rate of 3.1 percent a year, as a result of changes in construction, and substitution of other materials. The proportion of new housing units that are multi-family units has been increasing, and these use less lumber. Also, more single-family houses are built on concrete slab foundations which use no lumber for joists or sills. On the other hand, per capita consumption of softwood plywood has been increasing by almost 9 percent a year, and there have been rapid increases for building fiberboard, container board, and paper. Pulpwood consumption has doubled in the past 15 years.

Principal nonagricultural uses of land include: (1) urban or urbanized areas and roads; (2) areas used for public installations and facilities, including national defense, water control and supply structures, experiment stations, and so forth; and (3) areas used primarily for recreation or wildlife. Needs for each of these uses are as follows:

1. Acreage required by urban expansion and the needs for such other uses as highways and airports are expected to absorb an additional 20 million acres by 1980. This would assume a continuation of the rate of absorption in recent years of about 1 million acres a year.

2. The areas devoted to national defense, water control reservoirs, public industrial and experimental, and other related uses are expected to increase by 5 million acres by 1980.

3. Recreation and wildlife areas include National, State and local parks, fish and wildlife areas, and related areas designated as primarily for

recreational use. An increase in the area primarily used for these purposes of **at least** 23 million acres could be effectively used by 1980. Such an increase will not be made without aggresive programs to promote it.

We do not now have an adequate appraisal of the land that we really need for greenbelts and open space near cities, or for recreation and wildlife production. We are looking forward to the forthcoming report of the Outdoors Recreation Resources Review Commission for new information. We do know that there is a lively demand for land and water resources that can be used for recreation. Information for an ERS study in Northern Wisconsin furnishes an example. Before World War II, lake shore property sold for about $650 an acre. Right after the war buyers paid $4,000 an acre, and in the past 5 years they have paid an average of about $6,500 an acre.

We have 277 million acres of miscellaneous land types including desert, bare rock, and swamp. Although their economic use is often limited, such areas do provide space for meeting a part of the requirements for urban expansion and other nonagricultural uses. About 62 million acres of this land are in the 48 contiguous States and 215 million in Alaska and Hawaii. A decrease of 11 million acres of this class of land is expected by 1980 as a result of shifts to residential, highway and other special uses.

In the report of the Land and Water Policy Committee our needs for the products of land and water are translated into present acreages and projected

net changes in acreage. The major uses in 1959 and net changes involved in order to meet our needs in 1980 are about as follows:

Major Use	Acreage in 1959	Projected Net Change by 1980
	- - - Million acres - - -	
Cropland, including rotation pasture	458	- 51
Grassland and range	633	+ 19
Forest land, except that primarily recreational	746	- 5
Primarily recreational or wildlife, including some land in trees	62	+ 23
Urban, roads, military reservations, water supply reservoirs, etc.	85	+ 25
Miscellaneous nonagricultural and waste	277	- 11
Total	2,271	0

This is a kind of balance sheet of our needs and resources. Some important facts stand out with respect to 1980:

1. A careful look at our future needs for food and fiber leads to the conclusion that increased demand will not take up the slack in our farm production capacity.

2. Even after allowing for an agressive Food-for-Peace program that will take the product from an additional 20 million acres of cropland, we will need about 51 million acres less for crops and rotation pasture than we had in 1959.

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3. The needs of a growing population for land as space - for houses, businesses, roads, military proving grounds, cemeteries - will grow by about 25 million acres.

4. We have rapidly growing needs for land for outdoor recreation. These needs have high social value. We should take full advantage of the opportunities created by rising agricultural productivity to meet these needs.

Some land use changes will result from actions of millions of private owners -- farmers, lumber companies, real estate promoters and suburban householders. Others will follow from decisions made at some level of government. It is vital that we take effective action, through education, community efforts, zoning, and land use adjustment programs to encourage the best use of land in the public interest, for the present and for the distant future.

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U. S. Department of Agriculture
Office of the Secretary

RURAL RESOURCES IN THE 1960'S

Each of you is here today to discuss what could be summed up in one deceptively simple question: How should public policy be designed to encourage the maximum effective use of resources in rural America to serve all Americans?

I wish to emphasize that this is a deceptive question because it involves a vast number of complex factors, all related to one another.

It involves the continued ability of the American farmer to produce food and fiber in an abundance such as the world has never before seen, more than we can effectively use; and it involves the enormous power which this abundance gives to the American people.

It involves basic moral and human values as well as economic opportunities -- of making it possible for people who live on the land to stay there by moving resources to people rather than moving people to urban centers.

It involves the continuing need to conserve the soil and to speed the efforts to provide clean water.

It involves the growing gap of adequate recreational resources -- the need for open green spaces to remind us of the eternal eloquence of nature.

It involves the desire to use land which now produces crops already in large surplus for other productive purposes rather than to have it lay idle.

An address by Secretary of Agriculture Orville L. Freeman, prepared for delivery at the National Conference on Land and People, Jefferson Auditorium, U. S. Department of Agriculture, Washington, D. C. at 10 a.m. Monday January 15, 1962.

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It involves the mutual responsibility of each of us to develop and conserve the resources of land and people so that both work for the maximum benefit of each other.

I welcome you, then, to this national conference on land and people, and I wish to express my pleasure and that of President Kennedy for your willingness to consider one of the most important challenges which the American people will be called on to meet in this decade of the 1960's.

The responsibility of the Department of Agriculture in the field of land and water resources is large. Some three-fourths of the Nation's land area is in private ownership, principally agricultural or forest land. Equally significant, the Nation's water yield comes from watersheds which are predominantly agricultural lands or are in the National Forests.

This Department, accordingly, has a major responsibility for cooperative programs with the States and their local subdivisions, and with owners and operators, to bring about the conservation, development and wise management of soil, water, grass, forest, and wildlife habitat of these private lands. In addition, the Department administers a multiple-purpose resource management program on the National Forests and Grasslands covering 186,000,000 acres of land stretching from the Atlantic to the Pacific.

Mindful of that heavy responsibility, several months ago I appointed a Land and Water Policy Committee in the Department to appraise our present and prospective land and water resource situation, together with our future productive capacity and needs, to analyze the implications of their findings on Department policies, and to prepare program recommendations.

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The result of this effort will be outlined in subsequent presentations by members of my staff. A copy of the Committee report has been put in your hands. This study was based upon the years of research, surveys, and program experience of the Department and its cooperators, including an inventory of conservation needs that was made by some 30,000 people in the 3,000 counties under the leadership of the Department of Agriculture. Thus a broad cross-section of interests and many years of experience has entered into the judgment on the potentials of our land and water resources, their use, conservation, and development.

While this resource review was being made, I had occasion to go abroad to study agricultural problems in a number of the countries of Southeast Asia and the Middle East. That trip was illuminating in many ways. But, in particular, it helped very much to clarify and confirm some of my own understanding and convictions about problems and needs in our own country.

I returned from my visit to these developing countries with a better perception of why no nation can expect to progress beyond a subsistence economy unless it makes efficient use and has increasing productivity of its natural resources. We are fortunate in the United States to have so ample a supply of land, water, and forest resources -- vital national assets. How we conserve, develop, and manage these natural resources has an important effect on our economic growth, on the strength of our Nation, and on the long-run status of our Nation in world affairs.

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Land was a principal ingredient in the fascinating story of the making of this Nation. It was the bright hope and the promise of opportunity that brought millions of immigrants to our shores. It was the dream that pulled people westward to conquer a wilderness, to the Mississippi, across the Plains and the western mountains. Land was freely distributed under the Homestead Act, the one hundredth anniversary of which we are commemorating this year. All at once seemingly, the land was settled.

In a relatively short time, thanks largely to the land, the United States became the fourth largest nation in the world in terms of population, supplying one-fifth of all the farm products that move in world trade.

While there was still new and undeveloped land and unused water, we were not much concerned with questions of orderly development and proper use. We exploited the land cruelly and with little regard for the needs of the generations to come.

By the time the frontier of new land and opportunity had largely ceased to exist, voices began to be heard which spoke insistently for a new concept of land use -- conservation. These were great men -- Theodore Roosevelt, Gifford Pinchot and Hugh Bennett.

They spoke for millions who insisted that the land and water were priceless assets. They were called visionaries, and their words were as often laughed at as listened to. But the scars of erosion, destructive floods and dust storms convinved the American people that a new program was called for.

While there is much in this area which still remains to be done, there has been a tremendous advance forward. National Forests and National Parks today protect millions of acres of timber and range land while at the same time they provide realistic management of these resources. There are

today more than 3,000 conservation districts in the country providing stewardship for privately owned land and water. Conservation is a byword among rural and city people alike.

Thus, land use policy in this country has undergone one dramatic and far reaching change. There is strong evidence accumulating that the social and economic changes which are occurring in rural America today are signalling a third momentous change in the nation's land use policies.

The technological revolution in agriculture has placed us in a position where we are producing and can produce for the forseeable future more food and fiber than we can effectively use.

Output per worker in agriculture during the last decade has increased at an annual rate of 6.2 percent per year, compared to 2.9 percent in non-agricultural industries.

Agricultural output per man-hour has doubled since 1950. It is firmly predicted that technology and output will out-race our population in the next 10 years as it has in the last 10.

Some recent studies estimate that by 1980, when we expect our population to have grown to around 250 million people, we will be able to produce the food and fiber for all domestic and international needs on about 50 million fewer acres than we have in production today.

We have been unable, in the past decade, to find a satisfactory solution to these new challenges which will begin to guide national policy into new techniques of land use management. In the past, land has been moved in and

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out of agricultural production by various devices -- the soil bank, acreage reserve, acreage allotments, retirement to conserving uses.

Emergency programs, such as the Feed Grain Program, have been developed because experience has shown that it is cheaper to divert land from production than to acquire a surplus after it has been produced. But this is not the final answer. It leaves unanswered the question of how we are to obtain the greatest benefit from land and water resources for all the people.

While we still seek an answer to that question, there is today a clearer understanding of the problem than ever before. The agricultural revolution has brought us face to face with what I consider three basic questions affecting land resources:

First, there is good land which is producing crops that we cannot use effectively, thus adding to our surplus problem. About 40 percent of our farms today produce 87 percent of the total agricultural output. If adjustments in production are to be made, we will need to find ways to make better use of some of this land. What should we do about this?

Second, there is a rapidly developing appetite for recreational resources, and there is general concensus on the need for more open space -- green areas -- in the growing sprawl of urban areas. This relates to the need for developing alternate land uses. What should we do about this question?

Third, there is the equivalent of 1,400,000 underemployed persons in the rural economy. Over half the people in this country who live in poverty are located in rural areas. Almost 60 percent of the Nation's farms produce

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only about 13 percent of the agricultural output. These are not generally considered productive farm land. We need to bring new resources into rural areas to begin providing new economic opportunity for these people. What should we do about this?

As I have indicated, we have made studies and we have reviewed each area thoroughly, but we are candid to admit that we do not have all the answers. That is why we have called you here to discuss these problems affecting land, water and people as a part of a total food and agricultural program. We ask your help, and we are eager to have your ideas and suggestions both to improve existing programs on land and water and people -- and to develop entirely new approaches.

Keep uppermost in your mind while you listen and discuss these ideas and programs that this is not a conference to discuss techniques of conservation. You are asked to explore a new dimension of land use policy which arises because this nation is facing a totally new question: What new uses can be developed for good, productive land which is producing crops which already are in excess supply?

As you discuss the elements of a long range policy for developing other productive uses for agricultural lands, keep these considerations in mind:

*Every American wants to see the land used efficiently and effectively. Our national purpose is to use resources; it is not to have land lay idle. Our purpose is to insure most effective use of the land, based on particular conditions affecting each area.

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If we are convinced that we are using our agricultural abundance to the maximum effective level for people in this country and in other nations around the world, then to use the land to produce beyond our total need is not the most economical application of this valuable resource. It does not serve the national interest, nor does it satisfy the qualification that this land be put to maximum effective use.

*When we talk about land adjustment as a means of balancing production of certain crops with effective use, we are talking about land and crops from which farm families are making a living. And in recent years, not very much of a living in comparison to the non-agricultural sector.

*These people live close to the soil, and have a greater love for it than most Americans. They want to stay. They want to be near the land their fathers and grandfathers farmed. Their roots are deeply attached to the rural community where their children go to the same school they attended, and where they go to the church their great grandfather helped to build.

*These people are not likely, and should not be asked, to sacrifice immediate income until alternative sources of income or new income opportunities are found to compensate for reductions that will take place if land goes out of farming.

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*We also will need to maintain some good cropland in a ready reserve status so that it can be quickly called back into production in event of an emergency. This land should be that which is best suited for efficient cropping.

With these points in mind, I want to describe to you some of the proposals which have been made by many people who are concerned with the challenge of exploring this new dimension in land use policy. These proposals are directed principally at the need for new and alternative uses for good crop lands. While much of what has been proposed will apply equally as well to land which is less productive, the concern with these acres is centered more on finding increased economic opportunity for those who now farm this land. While there are some 2.2 million farmers on the less productive land, they account for only 13 percent of the total agricultural output. They contribute only slightly to the problem of excess production.

The major proposals for putting land to more effective use are those which seek to encourage greater recreational opportunities for a rapidly growing urban society.

There is much evidence today that we are beginning to achieve a more active and effective partnership between rural and urban interests in the planning for urban growth, for open green spaces needed for recreation and for other land consuming uses which a swiftly changing and rapidly growing nation will require.

I am sure that you will hear much more on this subject from Gov. Gaylord Nelson of Wisconsin. As a dynamic and imaginative chief executive

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of a state which is grappling with many problems relating to land and people, he is forging a name as a leader in resource development.

It is, I think, reasonable that a more effective partnership be made between Federal and state governments and private sources in this area of resource development, particularly in terms of providing to the states more financial assistance to stimulate planning and organization at the state level. This approach is contained in the legislation now before the Congress proposing river basin planning and development.

This approach also has been followed in the development of the plan for a continent-spanning system of parks, campgrounds and recreation sites along the Mississippi river. This plan, which has been endorsed and supported by those states through which the Mississippi flows, envisages a system of freeways running from Minnesota in the north to Louisiana in the south. Described as the Great River Road parkway, it would provide enormous recreational resources within easy reach of more than two-thirds of the people of this country. Other such interstate proposals could be developed.

We know also that the Nation's private lands hold a major potential for wildlife conservation and production for hunting and fishing and for many other forms of recreation. Is not this the time to take a closer look at wildlife habitat development and recreation as desirable and profitable alternative uses for land now dedicated exclusively to crop production?

There is special need for outdoor recreation within easy access from urban centers. More than one-third of the fishing trips made by anglers in Georgia, for example, are to farm ponds. More than 85 percent of our

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hunting land is privately owned or controlled and most of our game is produced on farms and ranches. We are becoming aware of the tremendous opportunity for community recreational development in and around the small lakes and ponds in the small watershed projects.

The public, if it wants to have recreational opportunities on private lands, must share in the cost of its development. Is this not the time to explore some of the methods and incentives that will help farmers to develop their lands as profitable recreational enterprises? Should we experiment on a pilot basis at selected points around the country, with arrangements that would enable local sponsors to acquire and develop, for public recreational use, lands around small reservoirs, flood plains and other lands that are released from crop production?

In addition to the increasing popularity of recreation and leisure time resources, there will be a continued increase in lands needed for highways, military reservations, institutions and other public facilities.

While I have described here some of the proposals for non-agricultural use of land now in cultivation, I also would like briefly to cover some others which deal with developing alternate agricultural uses.

These proposals would principally seek to shift some crop lands into trees and grass. Many competent observers predict that the consumers' taste for meat products will continue to increase and therefore we can expect over the long run to see some land gradually being taken by the livestock industry as meat consumption rises.

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Present predictions also indicate a continued rise in demand for forest products, although it is very likely that better management and cultivation of woodlands in private ownership will enable existing commercial forest lands to fill future requirements with only a small increase of additional acres.

The major increase in forest lands probably will be to provide additional recreational areas within easy reach of urban areas.

Related to the expansion of land resources devoted to trees and grass is the need for well balanced programs for upstream watershed development. Increased vegetation and more adequate water supplies will result from the integrated development of the watersheds. This is important to the farmer, forester, sportsman and water user.

The fact that watershed development also will help provide adequate and stable water supplies for urban needs while yielding recreational benefits and increasing wildlife propagation is an indication of the importance which the Department is placing on this particular program.

Watershed development will affect highly productive farmland as well as those lands which are less productive, just as any overall program to develop more effective use of land resources will affect both because both kinds of land are intermingled.

In the case of the less productive lands, continued cultivation of millions of these acres aggravates erosion and flood problems such as continued pollution of streams, shortening the useful life of water reservoirs, disturbing fish reproduction and silting up of harbors.

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We have the necessary technical knowledge and equipment to identify such crop land, which should be diverted to other agricultural or non-agricultural uses, and we can see the effectiveness of such an effort in the experience thus far with the Great Plains Conservation program.

If it is to be public policy to encourage more effective use of land resources, then land on which continued cultivation will result in destructive economic conditions should be encouraged to go into other uses.

Obviously, what we are proposing in terms of developing new and alternate uses for land will require a companion effort to provide a wider range of economic opportunity for those living in rural areas. This is the crux of the third question which I posed to you earlier: What should we do to create greater economic opportunity for rural America?

The policy which finally is developed to reflect public concensus on this most difficult question will not be the harsh proposal, set forth by some people, to drive what they call the inefficient farmer off the land. I for one cannot condone the use of the economic Cat-O-Nine-Tails.

Such an attitude, first of all, is poor economics. The farmer against whom such a policy is aimed does not contribute significantly to the problem of excess production. According to the latest figures available, some 2.2 million farmers produce only 13 percent of the total agricultural product while the remaining 1.5 million farmers produce the remaining 87 percent.

Those who say these farmers are inefficient fail to realize that, in terms of efficiency, the man who leaves his farm to gotto the city for a factory job likely would be even less efficient if he lacks the necessary skill to compete in a market which demands increasingly skilled workmen.

The only sensible answer to this challenging question is to devise policies which bring new resources to the people in rural America rather than attempt to move the people of rural America to the cities.

There are a number of proposals currently being considered which we hope will lead in this new direction.

We know that the process of change in American agriculture has left idle land and unused buildings on thousands of small tracts in low-income areas. This situation calls for positive assistance in redirecting these land resources into farm ownerships of family size and into recreation, forestry, and other new uses.

One means which might be considered is an expansion of the credit authority of the Department to provide loans to local public corporations through which the affected lands could be acquired, redeveloped, and resold. As with urban renewal, a large portion of the costs of this rural renewal could be largely recovered as redeveloped lands are resold.

In addition to efforts to make farms large enough to provide an income adequate for the needs of the farm families, we are encouraging the establishment of factories and commercial enterprises, including recreation facilities and tourism, which will provide alternative job opportunities in the rural community to give employment where it is needed.

We also are establishing training programs in order that the normal flow of people from the rural areas can compete in accordance with their capabilities and not be required to take a low-paid job because of lack of training and education.

We are carrying out this program in cooperation with the states, counties and local communities. Local leaders decide themselves what is to be done. To assist these local leaders, we have made available all of the resources of the Department of Agriculture through the Rural Areas Development Program. This program of economic development of rural areas has been in full swing for only a few months.

You have not been invited here to discuss the problem of implementing an agricultural program, but you should be familiar with such efforts since any proposals to provide more efficient and effective use of land and people are vital to any overall agricultural program.

The use of land is only one basic element of a broad agricultural policy, what we might describe as a triangular program, involving also food abundance and commodity management, and a triangle which concerns the people, both on the land and those who depend on its products for their daily food.

With food abundance, we must search for realistic and practical methods of using food and fiber at home and abroad to fulfill commercial obligations and those obligations of moral responsibility to share our abundance with those who do not have enough.

Through commodity management, we seek to adjust production, to balance it more effectively against what we need and can use, recognizing that even with programs to use our food abundance and to find alternative land uses we will still produce beyond effective demand.

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It is my hope that from these meetings will come stimulating and creative ideas and suggestions for using land resources effectively and wisely. I hope, too, that you will take with you a broader understanding of the achievements of American agriculture, of its place in the national economy and of its role in American leadership in the world.

Thank you, once again, for accepting my invitation to meet here to help resolve the question of finding maximum use of our land resources. We are working together for the best interests of 185 million Americans as we attempt to restore prosperity and economic opportunity to rural America.

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USDA 177-62

U. S. Department of Agriculture
Office of the Secretary

LAND ADJUSTMENT NEEDS

You have heard Secretary Freeman outline the general guidelines for this Land and People Conference today. You have also heard Willard Cochrane discuss our changing needs for natural resources and the things that determine those needs.

During the day you will hear other talks and a panel discussion. A group of leaders such as yourselves gathered here today do not want the talking to be all one-sided so I shall be brief. We in the Department of Agriculture are most anxious to hear what the panel of distinguished citizens have to say and to get your comments and suggestions, both at lunch and otherwise.

First, I want to underscore the fact that the basic resource problem in the United States in the years ahead is competition for land and the proper distribution of land among the various resource uses. No longer is there an over-abundance of land for each use. The resource needs mentioned by Dr. Cochrane should make this clear to all. Furthermore, in this great country of ours we have no new unexploited frontiers of additional land to be developed as did our forebears.

My second thought is that the United States Department of Agriculture has a very great responsibility in sound land use and in natural resource development -- indeed a responsibility exceeded by that of no other Department. It has far-flung programs on private lands, on public lands, and in the different fields of research. The Department of Agriculture has Federal leadership and responsibility for soil, water, forest, and related resource development on all private lands throughout the 50 States. This amounts to three-quarters of the Nation's land area.

Address by Assistant Secretary Frank J. Welch before the Conference on Land and People, Washington, D. C., January 15, 1962, Jefferson Auditorium, U. S. Department of Agriculture.

In addition, the Department has full managerial responsibility for 186 million acres of forest and grasslands now nationally owned. These are the National Forests and Grasslands.

Stated another way, the Department of Agriculture's Federal responsibilities for the development and conservation of the Nation's renewable natural resources extend to all croplands, about 80 percent of the forested land, and over three-quarters of the range and pasture land.

Except for fish and wildlife, the Department of Agriculture conducts virtually all Federal research in renewable natural resources.

I, by no means, overlook the tremendously vital role of the States, of private citizens, and the increasing activities and interests of counties and municipal governments in natural resource conservation. But I do wish to make clear why the Department of Agriculture is so concerned with the proper use of land and the best apportionment of land among the various resource uses.

Now with respect to crops, the projected estimates of cropland needs for 1980 call for 407 million acres. This would be 51 million acres less than the cropland area in 1959. To a considerable extent this is explainable in terms of anticipated advances in agricultural technology. Thus it appears that we have a highly favorable cropland balance sheet. With the acreage which can be retired, plus that unused for crops but potentially capable of producing them, it should be possible to gradually shift crop production almost entirely to those soils best suited for it both from a production and conservation viewpoint; and this can and should be done.

Our total potential for croplands is about 200 million acres more than the area currently being devoted to crops. Some of this additional potential is better quality than some that is now growing crops. Thus we apparently have

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not only more croplands than will be needed in the future but also an imbalance in the types of land that ought to be growing crops. Both types of adjustments are needed.

Grazing by domestic livestock is the largest single use of agricultural land. In 1959, 633 million acres of pasture and open range, plus 245 million acres of forest range were used for this purpose. In addition, livestock were pastured on 66 million acres of cropland. Thus, 944 million acres, or 42 percent of the total land area of the United States, were devoted to grazing use.

The outlook for pasture and rangeland is in sharp contrast to that for cultivated crops. The per-acre increase in carrying capacity will not be sufficient to accommodate increased livestock needs. Therefore more land will need to be in pasture and range than is now the case. To take up this slack an additional 19 million acres of grazing land must become available. Most of this will come from land that is now in cultivated crops.

The largest single category of land in the United States is forest land. It is estimated that 773 million acres, or 34 percent of the total area of the 50 States, is forest. The long-range projections are that the total acreage of land in forest will not change significantly but the area in commercial forest land should increase slightly from 530 to 537 million acres.

Therefore, needed increases in timber supplies must come almost entirely from higher yields on existing forests.

It is important to bear in mind that these forested lands yield not only timber but also water, wildlife, forage, and recreation. Most forest lands, except those reserved for special purposes such as parks, produce multiple resource values.

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The projections of the Department of Agriculture's Timber Resource Review study of a few years ago indicate that sawtimber growth should about double by the turn of the century and that a major improvement in forest practices, particularly among the small private holdings, is necessary to accomplish this. The small private woodlands comprise 74 percent of the private commercial forest land of the country and are held by 4.5 million owners. Some 3.4 million farmers own and operate 165 million acres of timber land. The extensive farm ownership of woodlands is one major reason why the question of timber supply is primarily an agricultural problem and a responsibility of Federal and State Departments of Agriculture, Land Grant Colleges, the State Agricultural Experiment Stations and other agricultural interests.

It is expected that about 32 million acres of presently forested land will go out of forest in the next 20 years but this reduction will be offset by additions to forest land from land not now in forest. Most of these additions will come from land that is presently in cultivated crops.

The increase in demand for outdoor recreation in the last 15 years has been one of the remarkable phenomena of our time. This has been referred to by Dr. Cochrane.

The forthcoming report of the Outdoor Recreation Resources Review Commission is one of the most eagerly anticipated reports in the field of natural resources for a long time. Except for relatively small areas, there is no special category of land designated exclusively for recreation. This is because recreation is pursued most commonly and effectively on lands also devoted to other uses.

It is expected that there will be a substantial increase in the next 20 years of areas devoted primarily to recreation and wildlife use. And on other lands recreation will command an increasingly greater share of the attention of land managers than it has in the past.

In summary, the probably adjustments needed between major land uses in the next 20 years indicate about a 50-million-acre decrease in croplands, a 20-million-acre increase in pasture and rangeland, no appreciable change in forest lands, and a substantial increase in a miscellaneous category which includes special-purpose uses, urban areas, designated recreation areas, roads, reservoirs, powerlines, etc. This is summarized below:

	Land Use Area (Millions of Acres)	
Land Use	Present (1959)	Projected (1980)
Cropland	458	407
Pastureland	633	652
Forest land	773	775
Miscellaneous	407	437
Total Land Area	2,271	2,271

In this connection, I also call your attention especially to the first and second tables in the Land and Water Policy Report furnished you today.

How will these adjustments in land use be accomplished and how will the increased yields be achieved? These will require a combination of public and private effort, action by legislatures, Federal and State programs and, perhaps above all, public understanding of what is needed and what is at stake.

Some possibilities to encourage conversion of croplands to other uses, to develop recreational opportunities on lands, and to improve conservation and management of lands and waters are suggested in the report placed before you. In addition, the President has recently submitted to the Congress a recommended program for the intensified development and management of the National Forests and National Grasslands. Forward-looking research programs for the Department, including natural resource research, have been prepared and are now under review.

The suggested policies in the Land and Water Policy Report are under consideration by the Department of Agriculture at the present time. We seek your study of them and we solicit your comment and suggestion about them.

In closing I would like to leave this thought with you. Basic to a permanently successful and healthy agriculture and natural resources is a land-use structure designed to meet projected needs. A sound economy is not built on a pattern of use that is the product of previous mistakes, expediency and lack of foresight. The dual problems of cropland retirement and land-use suitability will not solve themselves. They cannot be worked out from year to year on a catch-as-catch-can basis nor are they alone the complete solution. Satisfactory progress can come only from painstaking planning, systematic and orderly programs, and informed decisions.

We are convinced that The Time Is Now for a well-informed and comprehensive effort to bring the productive potential of our entire land resource into adjustment with anticipated needs. This we can do if we bring to this challenging responsibility and opportunity vision and perspective, appropriate planning on all levels of Government, and can have understanding and cooperation on the part of the people.

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USDA 158-62

SUMMARY OF
NATIONAL CONFERENCE
ON
LAND AND PEOPLE

January 15, 1962

U.S. Department of Agriculture

Washington, D.C.

Nature and Purpose of Conference

The Secretary of Agriculture called a National Conference on LAND and PEOPLE on January 15, 1962, to obtain assistance from participants in shaping the Department's land and water policies and programs.

A Preliminary Report entitled "A Land and Water Policy for the United States Department of Agriculture," prepared by the Department's Land and Water Policy Committee, are distributed to members of the Conference. The Report's findings and recommendations were summarized in a series of statements by Secretary Freeman and members of his staff. The Secretary of the Interior outlined that Department's interest in land and water resources; and Governor Gaylord A. Nelson reviewed Wisconsin's 10-Year Program for Resource Development and Outdoor Recreation. A panel representing various non-Federal agencies and groups concerned with resource policies and programs expressed their views and led a conference discussion on better use of land and water in the public interest.

Members of the Conference were urged by Secretary Freeman to consider the ideas discussed at the Conference or presented in the Preliminary Report and to send him their comments and suggestions.

The following Conference summary and appraisal was presented by Professor John F. Timmons, Department of Economics and Sociology, Iowa State University, Ames. Dr. Timmons is also Chairman of the Committee on Soil and Water Conservation, National Academy of Sciences.

George A. Selke, Chairman
Land and Water Policy Committee
U.S. Department of Agriculture

CONFERENCE SUMMARY REMARKS
NATIONAL CONFERENCE ON LAND AND PEOPLE*

by
John F. Timmons
Professor of Economics
Iowa State University
Ames, Iowa

Chairman Zimmerman, Dr. Selke and friends participating in this National Conference on LAND and PEOPLE.

When I accepted Secretary Freeman's kind invitation to help summarize the Conference discussions, I had serious misgivings about my ability to perform on this assignment. When I arrived in Washington last evening, I was greeted by Mr. Harry Steele who generously presented me with 299 pages of words and tables with the assurance that more material was to come today. The task of summarizing all the written and spoken thoughts and statistics brought before this Conference, doing justice to what has been presented, is obviously beyond the realm of reality within this day and the time allotted. As a substitute, I will endeavor to capture, and with your permission, to interpret and react to some of the central cores and streams of thought from the talks and papers presented.

I feel this Conference is both important and timely. It should help focus public interest and effort on the land resource problems besetting our Nation and on possible reorientations for remedial action. I congratulate Secretary Freeman and his staff for their initiative and effort manifested in the conduct of this Conference on land and people.

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* Remarks presented at the National Conference on LAND and PEOPLE, January 15, 1962, Washington, D. C.

The Presentations Before Us

Early this morning, the Secretary of Agriculture extended to this Conference an invitation for help in the form of ideas and suggestions leading to an improved use of the Nation's land and water resources for the people of this country. Such considerations embrace not only the well-being of farm people but extend to the rural nonfarm and urban people as well. Indeed, all the Nation's people are affected either directly or indirectly by what happens on and with the Nation's land and water resources.

The Secretary and his colleagues in the Department of Agriculture reminded us that three-fourths of the Nation's land area is privately owned, mainly in farm and forest uses. From these lands come not only the Nation's food and fiber but also water supplies, minerals, wildlife, scenery, and many forms of recreation. These lands presently in farm and forest uses constitute the major reservoir from which future industrial, urban, recreational, and transportation uses and the further economic strength of the Nation will be drawn.

Drawing liberally from the report prepared by the Department's Land and Water Policy Committee, Secretary Freeman and his colleagues, Drs. Willard Cochrane, Frank Welch, and John Baker, have laid before us factual information on land problems and remedial actions.

According to their statements, the technological revolution in agriculture means that this Nation is producing and can continue producing more food and fiber than we can use effectively. They point out that output per worker in agriculture this past decade has increased

6.2 percent per year compared with 2.9 percent in nonfarm industries. They suggest that agricultural output will continue to outrace population during the next decade as it has done the past decade. They conclude that by 1980, with expectations of around 250 million people in the Nation, we should be able to satisfy all domestic and international needs on about 50 million fewer crop acres than is in use today. And this conclusion assumes that 20 million acres will be used to service the food for peace programs.

Based upon the Department's conclusion of 50 million excess crop acres by 1980, Secretary Freeman addressed three questions to this Conference. First, how can we make better use of the land currently in the agricultural plant but which cannot be used effectively within agriculture? Second, how can these excess lands be used to satisfy the rapidly growing appetite for recreational and urban uses? Third, how can resources be generated in rural areas to contribute economic opportunities for over 1 million estimated underemployed persons in rural areas?

Secretary Stewart Udall, whose Interior Department is the largest single landowner and manager in the Nation, stressed the increasing demands for land for nonfarm uses, particularly recreation. He emphasized the need for close working relationships between the Interior and Agricultural Departments in developing land and water use policy.

Wisconsin's Governor Gaylord Nelson, speaking from the viewpoint of an experienced governor, emphasized conservation of resources and education of youth as the two most important functions of State

government. The Governor discussed consequences of haphazard resource use and the necessity and urgency for present action before irrevocable adverse commitments of land and water are made. He explained the Wisconsin resource development 10-year program recently enacted, including certain intriguing features such as scenic easements. This plan affords ideas and challenges for other States interested in planning and implementing action for land and water uses.

The Governor emphasized need for political executive leadership at Federal and State levels of government in resource planning and development. He also outlined the need for Federal and State cooperation in identifying and sharing their respective roles in resource planning and development.

The panel presentations by Messrs. Clay Cochran, Comfort, Ellis, Garver, Males, Smith, and Webb and the conferee participation this afternoon illustrate the varied interests, talents, and viewpoints which exist throughout this Nation. This multiplicity of interests and viewpoints becomes a basic part of the process of building and implementing a national land-use policy. Expand these varied interests, talents, and viewpoints represented by this assembly many times and we approximate the complex of the American citizenry interested in and available for participation in the process of planning and formulating land-use policy.

Reactions to the Presentations

While listening to the presentations and discussions of the material presented, I have grouped my reactions and observations into 12 points which I shall lay before you in brief fashion to keep within

my alloted time. Although these points might not be regarded as appropriate for a summary per se, I feel they deal with selected issues emanating from the papers presented and thus serve to subject the presentations made before us today to further examination in the process of developing sound land policies for the future.

1. Research needs for land policy.- This Conference and the state of affairs in agriculture which fostered it emphasize in my mind the basic and urgent need for continuing research (a) to identify and keep up to date our aggregate and specific demands for products and services forthcoming from land and water, (b) to identify and keep up to date inventories of land resource productivities for aggregate and specific uses and areas particularly in light of technological and natural changes, (c) to interrelate these demands and productivities within the appropriate context of change extrapolated toward relevant planning horizons, and (d) to fashion instruments of change for guiding land use and land developments in light of the dynamic forces at work in our Nation and throughout the world.

Referring to the report "A Land and Water Policy for the United States Department of Agriculture," which was distributed to this Conference and around which today's presentations have been built, I offer certain observations. This represents a valuable study. In light of the numerous assumptions stated, the analysis meets adequately the criteria expected of research. However, serious questions may be raised if the conclusions are used as the exclusive basis for land- and water-use policy in the United States, since other assumptions equally

valid would yield materially different results. The point is that a valid research study is not necessarily a valid basis for policy, although the study may well be an important contribution to the basis for policy as I feel this report is. In my view, the report becomes a starting point rather than a point of conclusion for policy formulation into the future with all the implications such policy holds for land and people.

For example, the estimates and assumptions used in the report leading to the end-in-view of 50-million excess crop acres by 1980 necessitate considerable refinement and continuing study. The use of projected crop yields to 1980, based on trends of the last decade, is open to question in light of weather effects alone. Professor L.M. Thompson of Iowa State University is engaged in a study which indicates that on the basis of a 26-year weather period over 50 percent of the increases in corn yields in the five major corn-producing States during the 1950's may be explained by favorable weather. Case studies by Professor Alexander of the same institution suggest favorable weather in 1961 accounted for around 55 percent of the increased corn yield on the farms studied. Despite the well-known hazards of long-range weather prediction, the report does in effect predict weather through 1980 on the basis of weather through the 1950's. Possibly alternative assumptions embracing various coefficients of change would be useful. During the early 1950's USDA officials suggested the fifth plate derived from population growth would alleviate the surplus productive capacity of the agricultural plant. Research might well inquire into what went wrong with this prediction.

Further refinements in the report findings are needed in the regionalization of the productivity estimates, by uses, if the findings are to be made the basis for land policy toward the future. Furthermore, the analytical model must have the ability to accomodate change on a continuous basis whether the change emanates from technology, changing consumer preferences, population growth, weather cycles, or international affairs.

In large measure, the report seeks to answer the question, "How much land do we need to retire (unemploy) from farming in order to lessen or eliminate the excess supply of farm products at support prices?" I would suggest we address our research to the question "How should our land be used over the long pull if land is to make its maximum contribution to economic growth and to what extent will this utilization help solve the imbalance problems within the farming industry?" In recent decades, land policy has been tied increasingly to price and income objectives within farming without adequate regard for long-run opportunities to adjust the components of the resource mix. Implicitly, we have made land resources carry the burden of agricultural adjustment attempts, which appears incompatible with the economic use of our land resources from a national viewpoint. Land use geared to economic growth of the Nation cannot be specified without involving labor and capital employment and uses. Allocations of land among alternative uses should be related to expected kinds and magnitudes of additions to the national income in various uses and not related merely to the size of the imbalance in farm output and demand for farm products.

2. Contingency reservoir of cropland needed.- Inasmuch as the science and art of predicting needs for lands well into the future are imperfect, the probabilities of uncertainty warrant the concept of a "contingency reservoir" of cropland which does not get committed irrevocably to other uses. Of the land not presently needed for agricultural production, a to-be-determined amount, kind, and location of land might be assigned to and kept within the contingency reservoir and used as uncertainties give way to certainty through changes as they unfold in population growth, technology, weather, international affairs, and the like.

Under this concept, the objective would not be just idling land from the farm plant but instead the objective would be a positive one in terms of prudent provision for an uncertain future. Thus, the objective would possess value to our Nation in serving a positive purpose of insuring the Nation's future food and fiber needs. Public investments in this purpose would constitute insurance premiums paid for insuring the Nation's food and fiber into the future. Under this concept, other uses which might not conflict with the "contingency reservoir" objective such as certain recreational, forestry and grazing uses could be tolerated.

3. Achieving increased value productivity of land uses.- Land not needed either for current and prospective demands or for the contingency reservoir would be eligible for other uses yielding increased value products and services. Public payments for land idled in the farm plant means that such lands yield zero product to the public. Idle resources make no contribution to economic growth. Such a program over a term of years may even neutralize economic growth from

other segments of the economy since sectors yielding positive value productivity must provide funds to induce landowners to idle agricultural land with the net consequence of diminished economic growth for the Nation. If payments to landowners are based on agricultural uses which in effect do not exist, or if the payments are above the value productivity of the land in other than agricultural uses, the payments in themselves constitute an obstacle to land-use shifts and tend to freeze land within the agricultural plant.

4. Preventing program benefits from becoming capitalized into land.- Payments to improve farmers' income conditioned on the recipients' rights in land (i.e., acreage allotments), or the right to produce or market (i.e., quota or franchise) tend to become capitalized into the land or other rights. To the extent that expected benefits from farm programs get capitalized into lands or other rights to produce or to sell, the intended income benefits are denied future owners of these rights unless benefits spiral upward by at least the amount of the annual increment of the capitalized value. A recent study published by the Virginia Agricultural Experiment Station estimates that the average price of an acre of flue-cured tobacco allotment alone in Greene, Wilson, and Pitt Counties, Va., was capitalized into a value of $2,500 in 1957. Thus, the buyer of this acre of allotment was actually buying future expected program benefits, which had become capitalized into the current land value. The important point is that the purchaser of the land including the right to income benefits under the program had paid for expected program

benefits, which means that the program benefits as current income raising devices had been preempted by previous owners of the rights. Ownership transfers of farmland at an annual rate of 5 to 8 percent reinforce the importance of this point.

This subtile but positive means of negating the intended beneficial income effects of farm programs would appear to be diffused throughout agriculture. Of course, the effects with respect to corn, wheat, cotton, milk, and other commodities may be less pronounced than in the case of tobacco in the Virginia study. In the process, an over-intensification of land use may result with resultant increases in the average output costs of farm products with important implications for domestic consumers and international trade. The Russian Academy of Sciences has research underway which speculates on these effects upon the competitive position of U.S. agricultural products in the world market. In terms of land-use shifts, the effects may well tend to further freeze the land into certain uses of excess products and services and effectively prevent the land from shifting to another use with a greater value productivity.

5. Special implications of excess land for conservation.- Shifts of land from the agricultural plant have special and profound implications for soil conservation. Conservation expenditures, representing current investments with the anticipation of future returns, inherently assume continued uses of the land for the purposes for which the conservation expenditures were made. Conservation needs for land that is to be put into the contingency reservoir will be considerably different

than for land that is to remain in crops. If the land is destined for recreation, urban, forest, or grazing uses, conservation investments will likewise be affected.

Conservation funds which are limited and in competition with other uses of public funds might best be allocated in terms of expected future uses of the land and the attendant needs for conservation investments. This reasoning leads to the necessity of identifying specific areas of land likely to shift to other uses in the years ahead as suggested earlier. Otherwise, the Nation may experience serious sunk costs in conservation investments without realizing the benefits for which the investments were made.

6. Money payments alone will not achieve land-use shifts.- The public use of the spending power alone has not and will not achieve and maintain needed land-use shifts once these shifts are identified by uses and by areas. There are many other ways and, I feel, more important means for guiding land-use adjustments in the years ahead. Aside from possible uses of easements, the Department's report and the presentations before this Conference scarcely mention techniques other than those involved in the use of the spending power.

Agriculture might benefit from methods used in urban areas in their guidance of land use toward long-run objectives. Urban land-use shifts and objectives have been achieved largely without the spending power and in its stead the regulatory and tax powers have been exercised by State and local government agencies. Possible uses

of zoning ordinances, land-use regulations, permits, easements, purchases, and a host of related institutional tools and techniques for guiding land uses toward desired objectives remain to be developed, fashioned, and applied to agricultural land. If public funds for agriculture become scrutinized more closely as competition for public funds increases and as the ratio between rural and urban populations widen, land-use shifts and adjustments within agriculture and between agriculture and other uses may well be expected to draw more heavily upon institutional means and less upon the spending power of the Federal government.

7. Increased responsibilities of State and local governments in achieving land-use objectives.- State and local governments are important if not senior partners with the Federal agencies in designing and putting into effect the kinds of land-use institutions needed for guiding land uses toward long-run objectives. It appears appropriate to review the report "State Legislation for Better Land Use," published by the Department of Agriculture in the 1930's. This report and subsequent studies made by State experiment stations, urban, State and regional planning organizations, and the Federal agencies, particularly the Economic Research Service of the Department, provide a valuable reservoir of ideas and facts. If the modus operandi of future land-use adjustments shifts from almost exclusive dependence upon the spending power to increased use of other public powers as I feel will come about, State and local governments will necessarily assume increased responsibilities in achieving and maintaining land-use objectives.

8. Resource use and employment opportunities.- Secretary Freeman concluded that the only sensible answer to the problem of underemployed labor resources in agriculture is to devise means for bringing new resources to the people of rural America. Continuing this reasoning, Director Baker estimates that well over 7 million new or improved opportunities are needed for "... inadequately low income rural people over the next 10 years." In light of the inelastic nature of demand for farm products and the continuing substitution of capital for labor in using technology, the Freeman-Baker reasoning must assume that most such opportunities would involve other activities than the production of the usual farm products. This would appear necessary in the interest of achieving economic growth of the Nation and improved economic well-being of people remaining in agriculture.

There are without doubt industrial development potentialities within rural redevelopment. There are also greater possibilities for part-time employment by farm people in industrial areas brought about by improved transportation facilities. But the largest potential employment opportunities for farm people remains in new and old industrial urban areas. Whether these people live in urban, suburban, or rural areas is another question. But the answer to employment opportunities for farm people appears to rest for the most part in industrial, trade, and service industries which tend to concentrate in urban complexes.

9. Need for more widespread understanding of and participation in land-use policy.- The Nation's land problems are not limited to agriculture but hold important implications for all segments of the

economic, political, and social life of the Nation. There remains the need for engendering more widespread public understanding and appreciation of land resource problems and possible solutions. There remains the need for more widespread public participation in land policy formation. There is need for interested and informed citizens to participate along with technicians in the process of developing land-use plans and objectives and the means for guiding land-use change. This reasoning is self-evident in a democracy and is necessary to assure success of and support for land-use programs.

People have many goals to achieve and some of them are competitive with land-use shifts and land resource conservation and development. Through participation in the land and water resource planning and programming processes, citizens are provided means for reconciling their competing objectives.

10. Achieving balance in the development of land-use policy.- As we proceed with the task of ascertaining and implementing solutions to land- and water-use problems, we seek a balance of the following: (1) Research to provide ideas and facts, interpretations of facts, and creative means for achieving peoples' wants; (2) education to disseminate these ideas and facts and to encourage discussion and decision by the Nation's citizens and their representatives in the legislative and executive branches of government; (3) institutional change to encourage and guide land-use adjustments toward desired objectives; and (4) money payments to help facilitate land-use changes toward objectives in the public interest.

11. Proceeding with the development of land-use policy.- As we proceed with the development of a long-term land policy varied to fit the different conditions throughout the Nation and adhering to the preferences of the Nation's citizens who are the prime movers in the entire process, this Conference may be regarded as a beginning. Obviously, 1 day, as profitable as this day has been, is inadequate to consider in a scholarly manner the many facts and ideas that have come before us today.

Secretary Freeman has asked all of us to send him our views and ideas on the points and issues he and his colleagues have raised in their papers. This we will do as we find opportunity to study and react to these papers after we return to our homes, offices, and fields.

No doubt Secretary Freeman will continue and expand the role of the Land and Water Policy Committee as a continuing central core of integration and vision within that Department. The committee might well become interdepartmental in light of the joint responsibilities mentioned by both Secretary Freeman and Secretary Udall.

In addition, the Department might well consider drawing upon the diverse yet complementary talents and interests of a national advisory committee to aid in a continuing role the structuring of a land and water policy for the Nation.

Likewise, I would suggest that the President might aid in continuing the work begun today in his messages to Congress and in special reports to the Nation. I would hope the Governors' Conference and the

individual governors like Governor Nelson, would emphasize the need for land policy and would create policy and the implementations of policy. This type of leadership by our executives both State and national, is indispensible in catalyzing other phases of government and in awakening public concern to the importance of using our land and water resources for the future as well as for the present benefit of the people in this Nation and of the people in other countries we strive to aid.

12. Finally, I would like to emphasize certain challenging and constructive features of the approach explict and implicit in the statements by Secretary Freeman and his colleagues as the New Frontier ventures further into the solution of our land resource problems. Their approach recognizes, as I interpret it, that this Nation does not now have a land resource policy consistent in its elements and varied to fit the different sections and interests of the Nation. They place high priority on building a land policy recognizing the task as a long-run effort, and not merely as a series of expedients in response to a series of emergencies. The nucleus of this policy embraces land and people and their interdependencies plus the idea that land resources are to be used rather than idled. This policy implies that land presently committed to agriculture is not irrevocably imprisoned within the agricultural plant but should be available for any use that will contribute most to the welfare of the Nation and its people. Thus, land in agriculture, but presently underemployed or unemployed in this use, is the reservoir from which uses outside agriculture may be fashioned and in which all citizens have a stake and from which all citizens may derive satisfactions.

This philosophy implies that farm policy is more than a policy for farmers. It projects farm policy into the national perspective of economic growth and national well-being. It is in keeping with the motto etched on the Department's edifice, "Dedicated to agriculture in the public interest." In pursuing this philosophy, we are confronted with a legacy of programs which contradict it. The philosophy demands a flexibility of land uses which permits land to move from one use to another in the public interest, which is a dynamic concept. Likewise, it demands mobility of labor which permits and encourages people to move to positions of employment where they may receive increased wages and satisfactions from their increased productivity to the national product.

Instead of mobility and flexibility, programs have tended to create immobilities and inflexibilities. The use and application of historical bases for output control, the minimum allotments for all producers of a product, public investments in rural areas which do not possess the economic resources to support them, such as rural electrification and roads, for example, the capitalization of expected program benefits into land values--all tend to immobilize both human and natural resources in place and contradict the philosophy of full employment of resources toward the end-in-view of maximizing the kinds and amounts of goods and services the Nation's people want.

Income payments and resource investments flowing into rural areas should be examined in terms of their long-run implications for prospective productivities and employment opportunities in those areas.

This examination may benefit from recent studies which indicate that elasticity of entries into farming is greater than unity as related to income changes at the point of entry. Conversely, the elasticity of shifts from farming by established operators is less than unity.

In conclusion, I appreciate the opportunity of participating in this important Conference. I have found the atmosphere of free and frank discussion characterizing this Conference to be intellectually stimulating and gratifying. I shall have succeeded in my remarks if they evoke from you further thought and reactions which will contribute toward a better understanding of some of the land problems besetting our Nation as well as what remedial alternatives are open to us.